

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
FIRST JUDICIAL DISTRICT AT JUNEAU

THE ALASKA LEGISLATIVE COUNCIL,  
on behalf of THE ALASKA STATE  
LEGISLATURE,

Plaintiff,

v.

HONORABLE MICHAEL J. DUNLEAVY,  
in his official capacity as Governor  
for the State of Alaska,  
KELLY TSHIBAKA, in her official  
capacity as Commissioner of  
Administration for the State  
of Alaska, and MICHAEL JOHNSON,  
in his official capacity as Commissioner of  
Education and Early Development for  
the State of Alaska.

Defendants.

Case No. 1JU-19-00753CI

**PLAINTIFF'S MEMORANDUM IN SUPPORT OF**  
**MOTION FOR SUMMARY JUDGMENT**

Plaintiff the Alaska Legislative Council ("Council") on behalf of the Alaska  
State Legislature ("Legislature"), by and through counsel, pursuant to Alaska Rule of  
Civil Procedure 56, hereby move for summary judgment as set forth below.

**I. INTRODUCTION**

To confront the need to stabilize funding for public education in the state, the  
Legislature properly exercised its appropriation power under art. IX, sec. 13 of the  
Alaska Constitution to forward fund public education one year in advance of the school

1 year. The Thirtieth Alaska State Legislature passed SCS HB 287(FIN) ("HB 287"), an  
2 appropriations bill that provided forward funding for public education for fiscal year  
3 2020.<sup>1</sup> The appropriations were not vetoed by the sitting Governor and were enacted  
4 into law. After Governor Dunleavy took office, he attempted to have that funding  
5 repealed without success. Despite the Governor's duty under art. III, sec. 16 of the  
6 Alaska Constitution, Governor Dunleavy has refused to execute the appropriations  
7 made in HB 287 for fiscal year 2020 and ordered Commissioners Tshibaka and  
8 Johnson to withhold these distributions contrary to law.

9 While Defendants have publicly alleged that their refusal to execute the  
10 appropriations made in HB 287 is based on their viewpoint that the appropriations are  
11 unconstitutional, the appropriations for public education in HB 287 for fiscal year 2020  
12 are valid. This Court must therefore find that Defendants are constitutionally required  
13 to execute the appropriations made in HB 287. The questions presented in this case  
14 are purely legal questions and there is no genuine issue of material fact. Accordingly,  
15 this Court should grant judgment as a matter of law in favor of Plaintiff.<sup>2</sup>  
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18 <sup>1</sup> Chapter 6, SLA 2018, *available at* Exhibit A; *see also* Complaint ¶ 13. The appropriations  
19 made in secs. 5(c) and (d), ch. 6, SLA 2018 were contingent "on passage by the Thirtieth  
20 Alaska State Legislature and enactment into law of a version of Senate Bill 26." That  
contingency was satisfied upon passage of CCS SB 26, enacted into law as ch. 16, SLA 2018.

21 <sup>2</sup> By defending the appropriations, Plaintiff does not waive its defense of legislative immunity  
22 under art. II, sec. 6 or art. III, sec. 16 of Alaska's Constitution, an issue which can be decided  
later. Plaintiff's defense of the appropriations flows from the fact that it is seeking to have the  
appropriations enforced by declaratory judgment and an injunction, and Defendants have  
cross-filed for summary judgment on grounds that the appropriations are unconstitutional.

## II. FACTUAL BACKGROUND

### A. Overview of the Legislature's history of forward funding education

In carrying out its duty under art. VII, sec. 1 of the Alaska Constitution to "establish and maintain a system of public schools open to all children of the State," the Legislature has a history of forward funding public education.

In 2005, the Legislature established the public education fund, allowing money appropriated to the fund to be expended without further appropriation.<sup>3</sup> Money in the public education fund "may be expended only in aid of public schools and for centralized correspondence study programs under this chapter and for transportation of pupils under AS 14.09.010."<sup>4</sup> In the years following creation of the public education fund, public education was forward funded by one year.<sup>5</sup> The Legislature did so by maintaining a balance in the fund sufficient to cover the estimated amount of the following fiscal year's state aid appropriation. By forward funding public education, and because the Legislature provides by law the amount of state aid to be distributed to public schools each year, the process for distribution,<sup>6</sup> and the authority to expend from the public education fund without further appropriation, school districts did not

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<sup>3</sup> AS 14.17.300.

<sup>4</sup> AS 14.17.300(b).

<sup>5</sup> *See, e.g.*, sec. 26(f), ch. 15, SLA 2012; sec. 28(e), ch. 14, SLA 2013; sec. 28(c), ch. 16, SLA 2014.

<sup>6</sup> AS 14.17.410; 14.17.610.

1 have to guess the amount of state aid that would be appropriated or when it would be  
2 appropriated.

3 The legislature, however, eliminated forward funding.in 2015, when it reduced  
4 the prior year's appropriation to capitalize the public education fund.<sup>7</sup> That same year,  
5 the legislature also repealed one-time funding that was to be distributed to public  
6 schools in fiscal years 2016 and 2017.<sup>8</sup>

7 The absence of forward funding for public education created problems that were  
8 exacerbated by delays in passing the state operating budgets in the years following the  
9 elimination of the forward funding. In 2016 and 2017 the operating budgets were not  
10 enacted until less than one month before money was to be distributed to school  
11 districts.<sup>9</sup> The delay in passage of the fiscal year 2017 and 2018 operating budgets,  
12 which included the appropriations for public education, severely burdened school  
13 districts, which must budget for the upcoming school year and were forced to issue  
14 teacher layoff notices in 2016 and 2017.<sup>10</sup>

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16 <sup>7</sup> Specifically, the Legislature reduced the appropriation made in sec. 28(c), ch. 16, SLA 2014  
from \$1,202,568,100 to \$77,008,600. Sec. 31, ch. 23, SLA 2015.

17 <sup>8</sup> Secs. 32(c) and (d), ch. 18, SLA 2014, relevant portions *available at* Exhibit B; sec. 42(b),  
18 ch. 38, SLA 2015, relevant portions *available at* Exhibit C.

19 <sup>9</sup> Chapter 3, 4SSLA 2016; Chapter 1, SSSLA 2017; *see also* AS 14.17.610.

20 <sup>10</sup> For example, the Anchorage School District was forced to issue notices to 223 teachers  
following the 2017 budget process. Letter from Deena M. Bishop, Superintendent Anchorage  
21 School District, to Rep. Paul Seaton, House Finance Committee (Jan. 25, 2018), *available at*  
Exhibit D, pp. 42; *see also* Letter from Lisa Skiles Parady, ACSA Executive Director, to  
22 Chairman Paul Seaton, House Finance Committee (Jan. 23, 2018), *available at* Exhibit D, pp.  
27; Letter from Tim Parker, President NEA-Alaska, to Honorable Paul Seaton and Neal



1 Finally, it is worth noting that the use of a delayed effective date to provide  
2 forward funding for public education is also not unprecedented. The Legislature  
3 previously forward funded large capital projects for public school districts through the  
4 use of a delayed effective date.<sup>11</sup> More specifically, in 2005, the Legislature  
5 appropriated \$25,088,607 from the general fund to the major maintenance grant fund<sup>12</sup>  
6 for payment by the Department of Education and Early Development as grants to a  
7 number of school districts.<sup>13</sup> Those appropriations took effect the following fiscal year,  
8 on July 1, 2006.<sup>14</sup> In 2006, the Legislature appropriated \$89,699,036 to the  
9 Department of Education and Early Development for capital school projects.<sup>15</sup> Those  
10 appropriations also took effect the following fiscal year.<sup>16</sup>

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15 Foster, House Finance Committee (Jan. 29, 2018), *available at* Exhibit D, pp. 31, 38; *see also*  
AS 14.20.140; 14.20.177.

16 <sup>11</sup> *See, e.g.,* secs. 60 and 65(d), ch. 3, FSSLA 2005, relevant portions *available at* Exhibit E;  
17 secs. 13 and 68(c), ch. 82, SLA 2006, relevant portions *available at* Exhibit F.

18 <sup>12</sup> AS 14.11.007.

19 <sup>13</sup> Sec. 60, ch. 3, FSSLA 2005, *available at* Exhibit E.

20 <sup>14</sup> *Id.* at sec. 65(d).

21 <sup>15</sup> Sec. 13, ch. 82, SLA 2006, relevant portions *available at* Exhibit F.

22 <sup>16</sup> *Id.* at sec. 68(c).

**B. 2018 education appropriations**

On April 18, 2018, nearly two months before enactment of the fiscal year 2019 state operating budget,<sup>17</sup> the Legislature passed HB 287, making appropriations for public education for fiscal year 2019 and forward funding public education for fiscal year 2020.<sup>18</sup> HB 287 was "intended to pass separately from the regular operating budget and early in the session to enable school districts to avoid mandatory teacher layoff notices."<sup>19</sup> Representative Paul Seaton, the sponsor of HB 287 further stated:

Even after the budget has passed the legislature, line item veto or veto reductions can be made by the Governor. In 2015, the Legislature needed to come back in special session to pass a second operating budget that included education funding. In 2016, the state operating budget was passed by the legislature on May 31. Last session, the state operating budget did not pass the Legislature until June 22 and [was] signed by the Governor on July 1. All this uncertainty for the funding amount forces school districts to draft multiple budgets. Anticipating low amounts requires districts to give termination notices (pink slips) to tenured teachers by May 15 and non-tenured teachers by the last day of school.<sup>20</sup>

Similarly, in a letter to express support for HB 287, the President of NEA-Alaska stated:

There is no question that some Alaska educators are leaving the state due to budget uncertainty every year. Alaska started the 2017-2018 school year with 250 vacant teaching positions. Each of these vacancies means lost opportunities for Alaska students, larger class sizes, and less

<sup>17</sup> The fiscal year 2019 state operating budget was signed by Governor Walker on June 13, 2018, and enacted as ch. 17, SLA 2018.

<sup>18</sup> Chapter 6, SLA 2018, *available at* Exhibit A; *see also* Complaint ¶ 13.

<sup>19</sup> HB 287 Sponsor Statement, *available at* Exhibit D, pp. 76-77.

<sup>20</sup> *Id.*

1 time for one-on-one learning. If the cycle of laying off educators at the  
2 end of every school year continues, these vacancies will only rise as our  
3 best and brightest leave the profession, and the state, for more stable  
4 careers.<sup>21</sup>

5 The President of the Anchorage School Board also described how prior budgeting  
6 practices had caused a "pink slip debacle," stating:

7 The Anchorage School Board has as one of its legislative  
8 priorities receiving early notice from the Legislature for education  
9 funding. Although our preferred date is March 1<sup>st</sup> since that is  
10 when our budget is due at our local Assembly as per Municipal  
11 code, we do support your bill which will help us avoid the pink  
12 slip debacle that our teachers and HR department endured last  
13 year. This will have a direct impact on our ability to retain quality  
14 teachers. Thank you for your support of education.<sup>22</sup>

15 The Legislature, in HB 287 fully funded public education and student  
16 transportation for fiscal years 2019 and 2020 under AS 14.17.410(b) and AS 14.09.010  
17 by capitalizing the public education fund.<sup>23</sup> The relevant portions of the bill read:

18 (c) The amount necessary to fund the total amount for the fiscal  
19 year ending June 30, 2020, of state aid calculated under the public school  
20 funding formula under AS 14.17.410(b) is appropriated from the general  
21 fund to the public education fund (AS 14.17.300).

22 (d) The amount necessary to fund transportation of students  
under AS 14.09.010 for the fiscal year ending June 30, 2020, is

21 Letter from Tim Parker, President NEA-Alaska, to the Honorable Paul Seaton and Neal Foster, Co-chairs, House Finance Committee (Jan. 29, 2018), *available at* Exhibit D, pp. 31.

22 Letter from Tam Agosti-Gisler, President, Anchorage School Board, to Representative Paul Seaton, House Finance Committee, *available at* Exhibit D, pp. 26.

23 Secs. 5(c) and (d), ch. 6, SLA 2018, *available at* Exhibit A; *see also* Complaint ¶¶ 17 - 28.

1       appropriated from the general fund to the public education fund  
2       (AS 14.17.300).<sup>24</sup>

3       In addition, in HB 287 the Legislature appropriated \$30 million in one-time funds to  
4       public schools to be distributed as grants during fiscal year 2020.<sup>25</sup> Specifically, the  
5       appropriation provides that "[t]he sum of \$30,000,000 is appropriated from the general  
6       fund to the Department of Education and Early Development to be distributed as grants  
7       to school districts according to the average daily membership for each district adjusted  
8       under AS 14.17.410(b)(1)(A) - (D) for the fiscal year ending June 30, 2020."<sup>26</sup> These  
9       appropriations for fiscal year 2020 were enacted into law in 2018, with a delayed  
10      effective date of July 1, 2019, which is the beginning of fiscal year 2020.<sup>27</sup> In sum, the  
11      Legislature, in passing of HB 287 as a separate appropriation bill for public education,  
12      intended to stabilize public education funding and put an end to the cycle of year-end  
13      pink slips and teacher shortages.

14               On May 3, 2018, Governor Bill Walker signed HB 287 into law, which  
15      consequently became chapter 6, SLA 2018. Before enactment of HB 287, the Attorney  
16      General analyzed the appropriations made in HB 287 and concluded:

17               Although not common, it is permissible for the legislature to include in  
18      a budget bill appropriations for future fiscal years. These appropriations

19      <sup>24</sup> *Id.*

20      <sup>25</sup> *Id.* at sec. 4; *see also* Complaint ¶¶ 29 - 34.

21      <sup>26</sup> *Id.*

22      <sup>27</sup> *Id.* at sec. 8.



1 do not bind a future legislature because a future legislature can always  
2 amend, reappropriate, or repeal the future appropriations.<sup>28</sup>

3 In November 2018, Governor Dunleavy was elected. On December 14, 2018,  
4 newly elected Governor Dunleavy released a proposed fiscal year 2020 budget  
5 prepared by outgoing Governor Walker “simply to meet the statutory deadline.”<sup>29</sup>  
6 That budget sought to amend the fiscal year 2020 appropriations to include the  
7 estimated amounts of the appropriations.<sup>30</sup> This original fiscal year 2020 budget  
8 proposal also included a proposal to forward fund public education for fiscal year  
9 2021.<sup>31</sup>

10 Governor Dunleavy introduced an amended budget on February 21, 2019,  
11 seeking to reduce the amount of state aid to be appropriated to public schools by nearly  
12 24 percent.<sup>32</sup> Specifically, Governor Dunleavy proposed:

13 (k) To fund the amount for fiscal year ending June 30, 2020, of  
14 state aid calculated under the public school funding formula under  
15 AS 14.17.410(b) multiplied by 0.7687, estimated to be \$895,455,700, is  
16 appropriated to the public education fund (AS 14.17.300) from the  
17 following sources in the amounts stated:

18 <sup>28</sup> 2018 Op. Alaska Att’y Gen. (May 1), *available at* Exhibit G.

19 <sup>29</sup> Governor Press Release (Dec. 14, 2018) (*available at*  
20 <https://gov.alaska.gov/newsroom/2018/12/14/dunleavy-administration-inherits-a-1-6-billion-deficit/>).

21 <sup>30</sup> Secs. 22(g) and (h), HB 39, relevant portions *available at* Exhibit H.

22 <sup>31</sup> *Id.* at sec. 22(i). The Thirty-First Alaska State Legislature passed appropriations to forward  
fund education for fiscal year 2021. However, those appropriations were vetoed by Governor  
Dunleavy. Secs. 33(i) and (j), ch. 1, FSSLA 2019; secs. 11(b) and (c), ch. 2, SSSLA 2019.  
The Legislature did not override the vetoes.

<sup>32</sup> Secs. 22(k) and (l) and 28, SSHB 39, relevant portions *available at* Exhibit I.

(1) \$16,500,000 from the School Fund (AS 43.50.140);  
(2) the amount necessary, after the appropriations made in  
(1) of this subsection, estimated to be \$878,955,700, from the general  
fund.

(l) Section 5(d), ch. 6, SLA 2018, is amended to read:

(d) The amount necessary, **estimated to be \$77,214,600**, to fund  
transportation of students under AS 14.09.010 for the fiscal year ending  
June 30, 2020, is appropriated from the general fund to the public  
education fund (AS 14.17.300).<sup>33</sup>

Governor Dunleavy also sought to repeal the \$30 million appropriation to be  
distributed to public schools in fiscal year 2020.<sup>34</sup> Governor Dunleavy's proposals  
were rejected by the Legislature.

Contrary to existing law and the Attorney General's previous advice made  
approximately one year earlier, Attorney General Kevin Clarkson, on May 8, 2019,  
issued an opinion concluding that the appropriations made by the Legislature in  
HB 287, which had already been enacted into law but had not yet taken effect, were  
unconstitutional.<sup>35</sup> Defendant Governor Dunleavy then announced, while the  
Legislature was considering the fiscal year 2020 operating budget, that, absent another  
appropriation by the Legislature, the funds would not be distributed to school districts  
in advance of the 2019 – 2020 school year.<sup>36</sup>

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<sup>33</sup> *Id.*

<sup>34</sup> *Id.* at sec. 28.

<sup>35</sup> 2019 Op. Alaska Att'y Gen. (May 8).

<sup>36</sup> See James Brooks, *Governor threatens no school funding after July 1, escalating fight with  
Alaska Legislature*, Anchorage Daily News (May 22, 2019) (available at  
<https://www.adn.com/politics/alaska-legislature/2019/05/22/governor-vows-no-school-funding-after-july-1-escalating-fight-with-alaska-legislature/?fbclid=>

1 Despite there being no formal legal challenge to the appropriations enacted into  
2 law in HB 287, Defendants failed to execute or otherwise disburse one-twelfth of each  
3 school district's state aid from the funds for public school districts appropriated by the  
4 Legislature on or before July 15, 2019, as mandated under AS 14.17.610(a).<sup>37</sup>  
5 Consequently, on July 16, 2019, Plaintiff initiated this suit.

### 6 III. STANDARD OF REVIEW

7 The parties agree that the constitutional issues to be decided by this Court  
8 surrounding the Defendants' refusal to execute the appropriations enacted by the  
9 Legislature in HB 287, the Legislature's power of appropriation, and the duty to  
10 provide a system of public education in this State, are purely legal questions, which  
11 makes summary judgment an efficient means of resolving those issues. A motion for  
12 summary judgment may be granted when the moving party has shown that "there is no  
13 genuine issue as to any material fact and that the moving party is entitled to judgment  
14 as a matter of law."<sup>38</sup> The parties agree that this case does not involve disputes of  
15 material fact; the case is therefore ripe for summary judgment.

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18 IwAR2v4gvfkWeJ9hwecw5CVMb7GHs6HnbP2lOOlv5ZFKayRE\_WmcmfkQl7gzI).

19 <sup>37</sup> Complaint ¶¶ 16, 19, 25, 31. State funding to public school districts for the 2019 – 2020  
20 subsequently occurred pursuant to this Court's Order, dated July 16, 2019, granting the parties'  
21 Joint Motion and Proposed Order Regarding Fiscal Year 2020 Education Funding Pending  
22 Resolution of Litigation.

<sup>38</sup> *Jennings v. State*, 566 P.2d 1304 (Alaska 1977).



1 When interpreting the Alaska Constitution, analysis by Alaska courts "begins  
2 with, and remains grounded in, the words of the provision itself."<sup>39</sup> The Court is "not  
3 vested with the authority to add missing terms or hypothesize differently worded  
4 provisions . . . to reach a particular result."<sup>40</sup> Instead, Courts "look to the plain meaning  
5 and purpose of the provision and the intent of the framers."<sup>41</sup> "Legislative history and  
6 the historical context, including events preceding ratification, help define the  
7 constitution."<sup>42</sup> Moreover, "[a] presumption of constitutionality applies, and doubts  
8 are resolved in favor of constitutionality."<sup>43</sup> "A party raising a constitutional challenge  
9 to a statute bears the burden of demonstrating the constitutional violation."<sup>44</sup>

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15 <sup>39</sup> *Wielechowski v. State*, 403 P.3d 1141, 1146 (Alaska 2017) (quoting *Hickel v. Cowper*, 874  
P.2d 922, 926-28 (Alaska 1994)).

16 <sup>40</sup> *Id.*

17 <sup>41</sup> *Id.*

18 <sup>42</sup> *Id.* at 1147 (citing *State v. Ketchikan Gateway Borough*, 366 P.3d 86, 90 (Alaska 2016));  
19 see also *State v. Alex*, 646 P.2d 203, 208 (Alaska 1982); *Hootch v. Alaska State-Operated*  
*Sch. Sys.*, 536 P.2d 793, 800, 804 (Alaska 1975)).

20 <sup>43</sup> *Alaskans for a Common Language, Inc. v. Kritz*, 170 P.3d 183, 192 (Alaska 2007) (quoting  
21 *Baxley v. State*, 958 P.2d 422, 428 (Alaska 1998)).

22 <sup>44</sup> *Id.* Defendants bear the burden of demonstrating a constitutional violation in this case.



#### IV. ARGUMENT

##### A. Defendants have a constitutional obligation to execute the appropriations made by the Legislature.

Under art. III, sec. 16 of the Alaska Constitution "[t]he governor shall be responsible for the faithful execution of the laws." Rather than properly challenging the legality of the appropriations in HB 287, Defendants chose to simply ignore the appropriations, forcing Plaintiff to initiate this suit. While art. III, sec. 16 also prohibits the Governor from suing the Legislature,<sup>45</sup> the Governor could have sued the commissioner responsible for enforcing the law, as was done in *State ex rel Hammond v. Allen*, or sought declaratory relief.<sup>46</sup> If the legislature did not believe its position was being adequately defended in such a lawsuit, it could have moved to intervene.

Instead, Defendants chose to follow the advice of Attorney General Clarkson, thus disregarding their constitutional duty to execute the law. That advice, however, is wholly inconsistent with the advice rendered just one year prior by the Department of Law, despite there being no change to the legal landscape in the time lapsing

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<sup>45</sup> Alaska Const. art. III, § 16 ("The governor . . . may, by appropriate court action or proceeding brought in the name of the State, enforce compliance with any constitutional or legislative mandate, or restrain violation of any constitutional or legislative power, duty, or right by any officer, department, or agency of the State or any of its political subdivisions. This authority shall not be construed to authorize any action or proceeding against the legislature.").

<sup>46</sup> 625 P.2d 844 (Alaska 1981) (Governor sued the Commissioner of Administration to determine effect of repeal by referendum on statutory retirement system for legislators); see also *Legislative Council v. Knowles*, 988 P.2d 604, 609 n.22 (Alaska 1999).

1 between those opinions.<sup>47</sup> The advice also encroaches on the authority of the co-equal  
2 legislative and judicial branches to make and interpret the law, respectively. Instead,  
3 the advice of Attorney General Clarkson simply appears to better align with the policy  
4 goals of Defendants, who unsuccessfully sought to drastically reduce the amount to be  
5 appropriated to public education for the fiscal year 2020.<sup>48</sup>

6 Furthermore, as the Alaska Supreme Court has held, "[i]t is the courts not . . .  
7 the executive, that are primarily responsible for constitutional adjudication."<sup>49</sup> In  
8 *Kodiak Island Borough v. Mahoney*, the Alaska Supreme Court noted that it had  
9 previously held that the executive only has the power to abrogate a statute where the  
10 law is "clearly unconstitutional."<sup>50</sup> The Court affirmed the previous holding that the  
11 executive may only "abrogate a statute which is clearly unconstitutional under a United

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14 <sup>47</sup> As previously noted, in 2018, the Department of Law advised "it is permissible for the  
15 legislature to include in a budget bill appropriations for future fiscal years. These  
16 appropriations do not bind a future legislature because a future legislature can always amend,  
17 reappropriate, or repeal the future appropriations." 2018 Op. Alaska Att'y Gen. (May 1),  
18 *available at* Exhibit G.

19 <sup>48</sup> Governor Dunleavy introduced an operating budget on February 21, 2019, that sought to  
20 reduce the amount of state aid to be appropriated to public schools by nearly 24 percent. *See*  
21 *secs. 22(k) and 28, SSHB 39, relevant portions available at* Exhibit I.

22 <sup>49</sup> *Kodiak Island Borough v. Mahoney*, 71 P.3d 896, 900 (Alaska 2003); *see also Boucher v.*  
*Bomhoff*, 495 P.2d 77, 79 (Alaska 1972) ("Early in this country's jurisprudence it was  
established that we are a government of laws, not of men, and that the task of expounding  
upon fundamental constitutional law and its application to disputes between various segments  
of government and society rests with the judicial branch of government.") (citing *Marbury v.*  
*Madison*, 1 Cranch 137, 2 L.Ed. 60 (1803)).

<sup>50</sup> 71 P.3d at 900.

1 States Supreme Court decision dealing with a similar law, without having to wait for  
2 another court decision specifically declaring the statute unconstitutional."<sup>51</sup>

3 In this case, not only are there conflicting opinions by the Department of Law  
4 regarding the constitutionality of the appropriations in HB 287, no court has issued an  
5 opinion regarding the Legislature's authority to forward fund education by  
6 appropriation. Accordingly, the appropriations made by the Legislature in HB 287 are  
7 hardly "clearly unconstitutional," and Defendants have a constitutional obligation to  
8 faithfully execute those appropriations in accordance with art. III, sec. 16 of the Alaska  
9 Constitution. To do anything different infringes on the constitutional duties of the  
10 Legislature to maintain a system of public schools under art. VII, sec. 1 and to make  
11 appropriations under art. IX, sec. 13 of the Alaska Constitution.

12 The Alaska Supreme Court has also acknowledged that the Attorney General  
13 has no power to declare a law unconstitutional. In *O'Callaghan v. Coghill*, the Court  
14 specifically noted:

15 For an attorney general to stipulate that an act of the legislature is  
16 unconstitutional is a clear confusion of the three branches of government;  
17 it is the judicial branch, not the executive, that may reject legislation. . . .  
An attorney general can have no authority to be the binding determiner  
that legislation is unconstitutional.<sup>52</sup>

18 <sup>51</sup> *Id.* (quoting *O'Callaghan v. State, Director of Elections*, 6 P.3d 728, 730 (Alaska 2000); see  
19 also *O'Callaghan v. Coghill*, 888 P.2d 1302, 1304 (Alaska 1995). The U.S. Supreme Court  
20 has also held that "[d]ue respect for the decisions of a coordinate branch of Government  
demands that we invalidate a congressional enactment only upon a plain showing that  
Congress has exceeded its constitutional bounds." *United States v. Morrison*, 529 U.S. 598,  
607 (2000) (citing *United States v. Lopez*, 514 U.S. 549, 568, 577-578 (1995)).

21 <sup>52</sup> 888 P.2d 1302, 1303 (Alaska 1995) (quoting *National Revenue Corp. v. Violet*, 807 F.2d  
22 285, 288 (1st Cir. 1986)).

1 In discussing the separation of powers doctrine in Alaska, in *Bradner v. Hammond*, the  
2 Alaska Supreme Court observed,

3 those who wrote our constitution followed the traditional framework of  
4 American government. The governmental authority of the State of  
5 Alaska was distributed among the three branches, the executive, the  
6 legislative and the judicial. Analyzing this tripartite form of government  
7 provided for Alaska, this court concluded, in *Public Defender Agency v.*  
8 *Superior Court*, that it can be fairly implied that this state does recognize  
9 the separation of powers doctrine. Our recent opinion in *Continental*  
10 *Insurance Cos. v. Bayless & Roberts, Inc.*, acknowledges that the  
underlying rationale of the doctrine of separation of powers is the  
avoidance of tyrannical aggrandizement of power by a single branch of  
government through the mechanism of diffusion of governmental  
powers. It is clear that the doctrine is not a common law concept; it is,  
however, a brooding omnipresence by virtue of its conceptually central  
role in the structure of American constitutional government.

11 A problem inherent in applying the doctrine of "separation of powers"  
12 stems from the fact that the doctrine is descriptive of only one facet of  
13 American government. The complementary doctrine of checks and  
14 balances must of necessity be considered in determining the scope of the  
15 doctrine of separation of powers. Both doctrines address and are  
designed to resolve the problem of efficient government versus  
tyrannical government and have as their goal the protection of the  
electorate from tyranny.<sup>53</sup>

16 Similarly, in *Perdue v. Baker*, the Supreme Court of Georgia recognized that  
17 the failure to faithfully execute the laws passed by the legislature encroaches on the  
18 legislative power to repeal statutes and the judicial branch's power of judicial review.<sup>54</sup>

19 There, the Court held:

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20 <sup>53</sup> 553 P.2d 1, 5-6 (Alaska 1976) (internal quotations and citations omitted).

21 <sup>54</sup> 586 S.E.2d 606, 615-16 (Ga. 2003).



1 The core legislative function is the establishment of public policy  
2 through the enactment of laws. . . . On the other hand, the executive  
3 branch generally has the power and authority to control litigation as part  
4 of its power to execute the laws, and a law that removes from the  
5 executive branch sufficient control of litigation may well violate  
6 separation of powers. However, the executive branch does not have the  
7 authority to decline to execute a law under the guise of executing the  
8 laws: "To contend that the obligation imposed . . . to see the laws  
9 faithfully executed, implies a power to forbid their execution, is a novel  
10 construction of the Constitution and entirely inadmissible." *The power*  
11 *to forbid the execution of the laws would enable the executive branch to*  
12 *nullify validly enacted statutes.* In that situation, the executive branch  
13 would encroach upon the legislative power to repeal statutes or upon the  
14 judicial branch's power of judicial review.<sup>55</sup>

15 Here, Defendants' reliance on the opinion of Attorney General Clarkson and  
16 resulting failure to execute the appropriations enacted into law is a clear violation of  
17 the separation of powers doctrine as recognized by the Alaska Supreme Court. To  
18 allow Defendants to unilaterally render an appropriation or statute unconstitutional

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19 <sup>55</sup> *Id.* (emphasis added); see also *Lockyer v. City & Cty. of San Francisco*, 95 P.3d 459, 463–  
20 64 (Cal. 2004) ("This conclusion is consistent with the classic understanding of the separation  
21 of powers doctrine—that *the legislative power is the power to enact statutes, the executive*  
22 *power is the power to execute or enforce statutes, and the judicial power is the power to*  
*interpret statutes and to determine their constitutionality.* It is true, of course, that the  
separation of powers doctrine does not create an absolute or rigid division of functions.  
(*Superior Court v. County of Mendocino*, 913 P.2d 1046 (1996).) Furthermore, legislators and  
executive officials may take into account constitutional considerations in making discretionary  
decisions within their authorized sphere of action—such as whether to enact or veto proposed  
legislation or exercise prosecutorial discretion. When, however, a duly enacted statute imposes  
a ministerial duty upon an executive official to follow the dictates of the statute in performing  
a mandated act, *the official generally has no authority to disregard the statutory mandate*  
*based on the official's own determination that the statute is unconstitutional.* (See,  
e.g., *Kendall v. United States* 37 U.S. (12 Pet.) 524, 613, 9 L.Ed. 1181 (1838) ["To contend  
that the obligation imposed on the president to see the laws faithfully executed implies a power  
to forbid their execution is a novel construction of the constitution, and entirely  
inadmissible"].) (emphasis added)).

would have devastating consequences, leading to a "tyrannical aggrandizement of power by a single branch of government" and providing the executive the discretion to decide which laws it wants to "faithfully execute," particularly when those laws do not align with the executive's policy objectives.<sup>56</sup>

Article VII, sec. 1 of the Alaska Constitution requires that "by general law" the Legislature shall "establish and maintain a system of public schools." The Legislature has properly exercised its power of appropriation under art. IX, sec. 13 of the Alaska Constitution and its lawmaking powers under art. II, secs. 13 and 14 to establish and maintain a system of public education. The constitutional duty to faithfully execute the law under art. III, sec. 16 of the Alaska Constitution requires that Defendants execute the appropriations enacted into law in HB 287. The constitutional duty to faithfully execute the laws of this State also includes a duty that Defendants comply with the relevant statutes that authorize the expenditure of the public education fund and that require the distribution of the funds appropriated in HB 287 to maintain a system of public education, in accordance with Title 14 of the Alaska Statutes.

**B. The appropriations made in HB 287 are valid appropriations and do not violate art. IX, sec. 7 of the Alaska Constitution.**

Notwithstanding the separation of powers doctrine, Defendants have publicly asserted that the refusal to execute the appropriations made in HB 287 is based on the

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<sup>56</sup> The courts, not the Attorney General, decide issues of constitutionality because the duty of the courts to uphold the Alaska Constitution is paramount and "takes precedence over the politics of the day." *Planned Parenthood of the Great Northwest v. State*, 375 P.3d 1122, 1133 (Alaska 2016).



1 argument that the appropriations are unconstitutional. One of the arguments asserted  
2 by Defendants is that, because the appropriations were enacted for the following fiscal  
3 year, the appropriations violate the prohibition against dedicated funds by dedicating  
4 future revenue.<sup>57</sup> However, as noted by the Alaska Supreme Court, "the anti-dedication  
5 clause clashes with the legislature's appropriation power."<sup>58</sup>

6 Before examining the constitutionality of the appropriations made in HB 287, it  
7 should be remembered that an act of the Legislature is presumed to be constitutional  
8 and that Defendants bear the burden of proving that the Legislature violated the  
9 constitution when it exercised its appropriation power. The presumption has been  
10 explained as follows:

11 The courts frequently reiterate that in the exercise of this authority  
12 [to determine the constitutionality of the enactment] they begin  
13 with a presumption in favor of validity, and that a court is not  
14 empowered to substitute its judgment for that of the legislature on  
15 matters of policy, nor to strike down a statute which is not  
16 manifestly unconstitutional even though the court may consider it  
17 unwise.<sup>59</sup>

18 <sup>57</sup> 2019 Op. Alaska Att'y Gen. (May 8); Alaska Const. art. IX, § 7 ("The proceeds of any state  
19 tax or license shall not be dedicated to any special purpose, except as provided in section 15  
20 of this article or when required by the federal government for state participation in federal  
21 programs. This provision shall not prohibit the continuance of any dedication for special  
22 purposes existing upon the date of ratification of this section by the people of Alaska.").

<sup>58</sup> *Myers v. Alaska Hous. Fin. Corp.*, 68 P.3d 386, 394 (Alaska 2003).

<sup>59</sup> 1 Sands, *Sutherland Statutory Construction* § 2.01 at 13 (4th Ed. 1972).

1 The Alaska Supreme Court has adopted this presumption in holding that "[t]he burden  
2 of showing unconstitutionality is on the party challenging the enactment; doubtful  
3 cases should be resolved in favor of constitutionality."<sup>60</sup>

4 The power of appropriation is vested in the Legislature by the Alaska  
5 Constitution,<sup>61</sup> and the Alaska Supreme Court has stoutly defended the Legislature's  
6 power of appropriation.<sup>62</sup> While Defendants contend that the appropriations made in  
7 HB 287 are unconstitutional because they appropriate future revenue, it is important to  
8 remember that all budgeting is prospective. The Legislature appropriates funds each  
9 and every fiscal year before they are deposited into the State treasury. Any argument  
10 that the Legislature lacks the authority to appropriate funds in advance of receipt does  
11 not comport with the fundamental norms of state budgeting. Defendants appear to be  
12 confusing the concepts of appropriation and dedication.

13 More importantly, no Alaska court has ever found a legislative *appropriation* to  
14 have violated the dedicated funds prohibition. The Alaska Supreme Court has  
15 considered the dedicated funds prohibition in a number of cases.<sup>63</sup> The Court, however,

16  
17 <sup>60</sup> *Alaska Legislative Council v. Knowles*, 21 P.3d 367, 379 (Alaska 2001); *see also State v.*  
18 *Albert*, 899 P.2d 103, 113 n.15 (Alaska 1995); *Bonjour v. Bonjour*, 592 P.2d 1233, 1237  
(Alaska 1979).

19 <sup>61</sup> Alaska Const. art. IX, § 13.

20 <sup>62</sup> *See, e.g., State v. Fairbanks North Star Borough*, 736 P.2d 1140 (Alaska 1987) (legislative  
21 power of appropriation may not be delegated to executive).

22 <sup>63</sup> *See Wielechowski*, 403 P.3d 1141; *Ketchikan Gateway Borough*, 366 P.3d 86; *Southeast*  
*Alaska Conservation Council v. State*, 202 P.3d 1162 (Alaska 2009); *Myers*, 68 P.3d 386;



1 has never considered whether a Legislature's appropriation to forward fund public  
2 education through use of a delayed effective date violates the dedicated funds clause.

3 **1. HB 287 does not dedicate a particular state tax or license to a particular**  
4 **purpose.**

5 Article IX, sec. 7 of the Alaska Constitution states that "[t]he proceeds of any  
6 state tax or license shall not be dedicated to any special purpose . . . ." "The anti-  
7 dedication clause helps preserve the state's annual appropriation model and ensures  
8 that governmental departments will not be restricted in requesting funds from all  
9 sources."<sup>64</sup>

10 As explained by the Alaska Supreme Court in *Sonneman v. Hickel*,

11 [t]he constitutional convention committee which drafted the prohibition  
12 on the dedication of funds commented that the reason for the prohibition  
13 is to preserve control of and responsibility for state spending in the  
14 legislature and the governor.

15 Even those persons or interests who seek the dedication of  
16 revenues for their own projects will admit that the  
17 earmarking of taxes or fees for other interests is a fiscal  
18 evil. But if allocation is permitted for one interest the  
19 denial of it to another is difficult, and the more special  
20 funds are set up the more difficult it becomes to deny other  
21 requests until the point is reached where neither the  
22 governor nor the legislature has any real control over the  
finances of the state. In one Rocky Mountain state the  
legislature is free to appropriate only 17 per cent of the tax  
collections; the rest are dedicated. In Alaska at present, 27  
per cent of territorial funds are earmarked, primarily for  
school construction and roads.

20 *Sonneman v. Hickel*, 836 P.2d 936 (Alaska 1992); *City of Fairbanks v. Fairbanks Convention*  
21 *& Visitors Bureau*, 818 P.2d 1153 (Alaska 1991); *Alex*, 646 P.2d 203.

21 <sup>64</sup> *Myers*, 68 P.3d at 389.

1 Without earmarked funds, the constitutional framers believed that the  
2 legislature would be required to decide funding priorities annually on the  
3 merits of the various proposals presented. Delegate Barrie White, the  
4 spokesman for the committee which drafted section 7, stated in the  
5 convention debates,

6 [t]he Committee feels that if you accept the principle of not  
7 earmarking, it puts everyone in the same position and that  
8 the legislature will then be in the position being able to  
9 decide each case on its merits. If you go the other route and  
10 allow for earmarking or start drawing up all the exceptions  
11 that everybody would want to have drawn up, you are then  
12 back to the situation that most states now find themselves  
13 in, where an ever-increasing percentage of their revenues  
14 are earmarked for special purposes and an ever-decreasing  
15 amount is available to the general fund.

16 Delegate White was then engaged in a colloquy about the appropriation  
17 of funds collected through licenses to agencies which had collected them:

18 Delegate Gray: "It doesn't earmark it but the talking point  
19 that these organizations have for the use of this money that  
20 is rightfully theirs, why, they haven't been precluded, they  
21 just have to sell their viewpoint to the legislature and if  
22 they need the money, why they probably could get it if they  
23 could talk them into it."

24 Delegate White: "They have to sell their viewpoint along  
25 with everybody else."<sup>65</sup>

26 It should be emphasized that the framers of the Alaska Constitution sought  
27 through art. IX, sec. 7 to restrict the dedication of a particular "state tax or license" to  
28 a particular purpose, not to restrict the legislative power of *appropriation*. During  
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<sup>65</sup> 836 P.2d at 938-39 (quoting 6 Proceedings of the Alaska Constitutional Convention (PACC) Appendix V at 111 (Dec. 16, 1955) and 4 PACC 2364 and 2367 (Jan. 17, 1956)).

1 discussion of art. IX, sec. 7, Delegate Sundborg explained why the term "dedication"  
2 was used instead of "earmarking":

3 Now, we have used instead of "earmarking" the term "dedicate revenues"  
4 because I believe after a study was made of this, that the dedication of  
5 revenues is really what was meant instead of the earmarking thereof and  
6 our advisers were unanimous on that, and if anyone would like a little  
7 further discussion of that subject, Mr. Hurley, who is a member of our  
Committee, is able to give it – the difference between "earmarking" and  
"dedication" – and I am sure that it was "dedication" that was intended  
as a restriction here.<sup>66</sup>

8 Later, during the same discussion, Delegate White explained:

9 The reason that we made the distinction, Mr. President, is because all  
10 proceeds coming to the state are revenues really, and you have to  
dedicate or allocate revenues to special purposes, *whereas what we are*  
11 *trying to get at is the allocation or dedication or earmarking of the*  
12 *proceeds of a particular tax to a particular purpose.*<sup>67</sup>

13 As the discussion between the distinction of "earmarking" and "dedication" continued,

14 Delegate Sundborg objected to inserting the word "earmarking," explaining that:

15 Well, I feel we would object because it has a different meaning.  
16 Now "earmarking" means any time you say that an appropriation  
17 or any other thing shall be for a specific purpose. The example  
18 that was used by Mr. Hurley would be that it would be earmarking  
19 part of the appropriation to the Fish and Game Commission, to  
say that a \$100,000 of it should be used for the propagation of  
salmon, and we think that was not what we intended as a  
restriction on the initiative here. I think that what was intended  
was that we should not interfere with what is a "dedicated"  
revenue. *A "dedicated" revenue, for instance, is the idea that*  
*tobacco taxes are used for school construction or maintenance.*  
*That is a "dedicated" revenue right from the time it is collected. It*

20 <sup>66</sup> 4 PACC 2968 (Jan. 24, 1956).

21 <sup>67</sup> *Id.* at 2969 (emphasis added).



1        *can't be used for anything else.* Now it was our belief that that is  
2        what the Convention had in mind when they wanted to remove a  
3        certain class of legislation from being touched by the initiative.<sup>68</sup>

4        HB 287 simply does not dedicate a particular tax to a particular purpose.  
5        Furthermore, the prohibition in art. IX, sec. 7 does not extend to restricting the  
6        Legislature's power to appropriate. While Defendants might encourage the Court to  
7        expand this prohibition, the Court is "not vested with the authority to add missing terms  
8        or hypothesize differently worded provisions . . . to reach a particular result."<sup>69</sup> It is  
9        unmistakable from the constitutional convention proceedings that art. IX, sec. 7 was  
10       not intended to restrict the Legislature from making the type of appropriation it did in  
11       this case, especially given that the program funded is mandated by the Alaska  
12       Constitution.<sup>70</sup> As Delegate White succinctly stated, "[t]he Committee *intends that this*  
13       *apply to the allocation of particular taxes to a particular purpose and no more than*  
14       *that.*"<sup>71</sup>

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18        <sup>68</sup> *Id.* at 2971 (emphasis added).

19        <sup>69</sup> *Wielechowski*, 403 P.3d at 1146 (quoting *Hickel v. Cowper*, 874 P.2d 922, 927-28 (Alaska  
20        1994)) (alteration in original).

21        <sup>70</sup> See Alaska Const. art. VII, § 1.

22        <sup>71</sup> 4 PACC 2405 (Jan. 17, 1956) (emphasis added).



1 In HB 287, the Legislature appropriated funds "from the general fund"; it did  
2 not dedicate any particular revenue stream.<sup>72</sup> This distinguishes the appropriations  
3 made by the Legislature in HB 287 from other cases where the Court has found an  
4 improper dedication.<sup>73</sup> Furthermore, as the appropriating body, the Legislature has the  
5 power – and the responsibility – to ensure that public schools timely receive their share  
6 of state funding. In HB 287, the Legislature intended to provide budget certainty to  
7 public school districts and to resolve the timing issue that had led to a "pink slip  
8 debacle."<sup>74</sup> Because HB 287 did not dedicate a particular state tax, license, or revenue  
9 stream to fund the state's portion of public education funding, the Legislature's response  
10 to the education funding crisis was not only permissible but constituted a rational  
11 policy approach to maintaining a system of public education. In sum, the appropriation  
12 for fiscal year 2020 public education in HB 287 simply does not "dedicate" any  
13 particular funds.  
14  
15  
16  
17  
18

---

19 <sup>72</sup> HB 287 appropriates money "from the general fund" to the public education fund and to the  
20 Department of Education and Early Development to satisfy the fiscal year 2020  
21 appropriations. *See supra* note 23.

22 <sup>73</sup> *See Sonneman*, 836 P.2d at 939-40; *Alex*, 646 P.2d at 209.

<sup>74</sup> *See supra* note 22.

1           **2. The dedicated funds prohibition does not apply to money once**  
2           **appropriated by the Legislature.**

3           The Attorney General's office has previously supported a similar interpretation  
4 in concluding that the dedicated funds prohibition does not apply to money once  
5 appropriated by the Legislature. Notably, in 1982, Attorney General Condon opined:

6           We believe the better view is that the dedication prohibition does not  
7 apply to money once appropriated by the legislature, regardless of  
8 whether the appropriation contemplates that the money will be expended.  
9 Usually appropriations authorize money to be spent. In other cases,  
10 however, the legislature may prefer to establish by general law a  
11 continuing loan program and finance it through a one-time appropriation  
12 or to reserve money in a special fund or account for future use for limited  
13 purposes. A strong argument can be made that *money once appropriated,*  
14 *regardless of the mechanism utilized, loses its character as revenue for*  
15 *the purpose of the dedicated funds prohibition because the purpose of*  
16 *the prohibition, i.e., that the legislature retain control over state*  
17 *revenues, has been satisfied.*

18           ...

19           Support for this position is found in the Alaska Supreme Court's analysis  
20 in the *Alex* case. In *Alex*, the court took note of the drafting change of  
21 Article IX, section 7 referred to earlier. This change, said the court, "did  
22 not seek to exempt some sources of revenue from the prohibition, but  
was intended instead to allow necessary dedication of funds once they  
were received and placed in the general fund."

          The Alaska Supreme Court has thus recognized that the dedication  
prohibition of Article IX, section 7 does not operate to prohibit all  
dedications whatever their nature. *Rather, the court seems to be saying*  
*that Article IX, section 7 must be read to allow certain necessary*  
*dedications of money by the legislature after that money is received and*  
*placed in the state treasury (i.e., general fund).* This analysis by the  
Supreme Court gives support to the argument that the dedication  
prohibition does not apply to money once it has been lawfully  
appropriated from the general fund and that the legislature can, without

1 violating Article IX, section 7, create "necessary dedications" out of that  
2 money.<sup>75</sup>

3 The Court should reach a similar conclusion in this case. The Legislature appropriated  
4 money in HB 287 from the general fund to the public education fund to be used for  
5 public education in fiscal year 2020. Once the money was validly appropriated, it was  
6 no longer subject to the dedicated funds prohibition.

7 **3. Public school funding is exempt from art. IX, sec. 7 of the Alaska  
8 Constitution.**

9 One of the most recent Alaska Supreme Court cases to analyze the dedicated  
10 funds provision, *State v. Ketchikan Gateway Borough*, expressly held that "[t]oday's  
11 statutory program for funding local public schools falls squarely within the type of  
12 state-local cooperative programs the delegates sought to exempt from the constitutional  
13 prohibition on dedicated funds."<sup>76</sup> While *State v. Ketchikan Gateway Borough*  
14 involved questions surrounding the local contribution to public school funding, the  
15 Court specifically held that "the existing school funding formula does not violate the  
16 dedicated funds clause."<sup>77</sup>

17 Article IX, sec. 7 of the Alaska Constitution exempts dedications for special  
18 purposes existing before statehood: "This provision shall not prohibit the continuance  
19 of any dedication for special purposes existing upon the date of ratification of this

20 <sup>75</sup> 1982 Inf. Op. Att'y Gen. (Nov. 30; J66-785-81 and J66-649-80) (emphasis added)  
(internal citation omitted).

21 <sup>76</sup> 366 P.3d at 100-01.

22 <sup>77</sup> *Id.* at 101.

1 section by the people of Alaska." In *State v. Ketchikan Gateway Borough*, the Court  
2 held that "[t]he minutes of the constitutional convention and the historical context of  
3 those proceedings reveal that the delegates did not intend for required local  
4 contributions to such programs to be included in the term 'state tax or license.'"<sup>78</sup> As  
5 the Alaska Supreme Court has already acknowledged, "[b]efore Alaska became a state  
6 in 1959, the Territory and local areas shared responsibility for funding public  
7 education. The legislature derived the current school funding formula from this pre-  
8 statehood program, the framework of which has remained largely unchanged."<sup>79</sup>

9 Just as the local contribution to the public school funding cooperative existed  
10 pre-statehood, the Legislature was responsible for funding public education pre-  
11 statehood. That obligation was carried over under art. VII, sec. 1 of the Alaska  
12 Constitution, which mandates the Legislature to "by general law establish and maintain  
13 a system of public schools open to all children of the State." If the local contribution  
14 to the public school funding cooperative, which existed pre-statehood, is exempt from  
15 the dedicated funds provision, it is only logical that the state's contribution to the public  
16 school funding cooperative be exempt. HB 287 provides funding exclusively for  
17 public education. Consequently, HB 287 should also be exempt from the dedicated  
18 funds clause.

19  
20 \_\_\_\_\_  
<sup>78</sup> *Id.* at 100.

21 <sup>79</sup> *Id.* at 91.



1       **C. HB 287 did not bind future legislatures.**

2       The Legislature confirmed its commitment to timely funding public education  
3 through passage of HB 287 and through inclusion of forward funding for fiscal year  
4 2020. While enacted in 2018, the appropriations made for fiscal year 2020 did not take  
5 effect until July 1, 2019, which marked the start of fiscal year 2020. These  
6 appropriations were thus subject to amendment or repeal by the Legislature before  
7 taking effect. It would be a complete fallacy to suggest that once appropriated, the  
8 appropriations failed to compete with other fiscal year 2020 appropriations. Indeed,  
9 Governor Dunleavy's February 21, 2019, budget proposal sought to amend and repeal  
10 those appropriations,<sup>80</sup> and the Legislature ultimately rejected that proposal. Even after  
11 the Governor's proposal, the appropriations were the subject of continued public  
12 debate.<sup>81</sup> While the Legislature chose not to amend or repeal the funding appropriated  
13 in HB 287, in other instances the Legislature has amended or repealed other forward  
14 funding appropriations specific to public education.<sup>82</sup>

15  
16       <sup>80</sup> See discussion *supra* at 9-10.

17       <sup>81</sup> See James Brooks, *Schools showdown grows more likely as Legislature, governor disagree*  
18 *on funding*, Anchorage Daily News (May 11, 2019) (available at  
19 [https://www.adn.com/politics/alaska-legislature/2019/05/11/schools-showdown-grows-](https://www.adn.com/politics/alaska-legislature/2019/05/11/schools-showdown-grows-more-likely-as-legislature-governor-disagree-on-funding/)  
20 [more-likely-as-legislature-governor-disagree-on-funding/](https://www.adn.com/politics/alaska-legislature/2019/05/11/schools-showdown-grows-more-likely-as-legislature-governor-disagree-on-funding/)).

21       <sup>82</sup> See discussion *supra* p. 4. In 2015, not only did the Legislature amend the previous years'  
22 forward funding of state aid, the Legislature also repealed \$32,243,700 in one-time funds to  
be distributed to public schools in fiscal year 2016, along with \$19,904,200 to be distributed  
to public schools in fiscal year 2017. See sec. 42(b), ch. 38, SLA 2015, relevant portions  
available at Exhibit C.

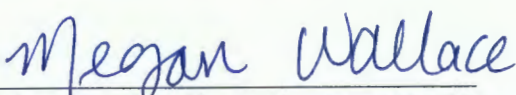
1           Consequently, because the appropriations did not take effect until July 1, 2019,  
2       were subject to amendment, repeal, and reappropriation, and competed alongside all  
3       other fiscal year 2020 appropriations during the fiscal year 2020 annual budgeting  
4       process, the appropriations made by the Legislature in secs. 4 and 5(c) and (d) of  
5       HB 287 did not bind future legislatures or otherwise violate the prohibition against  
6       dedicated funds.

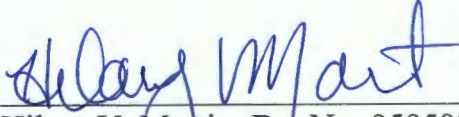
## V. CONCLUSION

8 This case represents a significant challenge to the appropriation powers of the  
9 Legislature, one that the Legislature was forced to file because of the Defendants'  
10 unprecedented refusal to execute the law. As the Plaintiff, the Legislature is in the  
11 unusual position of not bearing the burden of proving as a matter of law that the public  
12 education funds for fiscal year 2020, as enacted by the Legislature in HB 287 during  
13 the Thirtieth Alaska Legislature, was a valid exercise of the Legislature's appropriation  
14 powers and fulfilled a constitutional duty to provide for a system of public education.  
15 Those appropriations are presumed valid and have been enacted into law. The  
16 Defendants' role in the appropriation process is limited and does not include the  
17 authority to unilaterally and retrospectively declare an enacted appropriation  
18 unconstitutional as they have done in this case. Instead, the governor in office at the  
19 time chose not to exercise the executive's veto power over the appropriations made in  
20 HB 287, following the opinion of the Attorney General at that time, that the  
21 appropriations were constitutional. For the reasons stated, summary judgment should

1 be granted to Plaintiff, and Defendants should be ordered to execute the appropriations  
2 and to immediately implement the statutory procedure for distributing the public  
3 education funds for the current fiscal year.

4  
5 Respectfully submitted this 13<sup>th</sup> day of September, 2019.

6  /HWM  
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8 Director  
9 Alaska State Legislature  
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17 Hilary V. Martin, Bar No. 0505039  
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ATTORNEYS FOR THE ALASKA  
LEGISLATIVE COUNCIL





# LAWS OF ALASKA

2018

**Source**  
SCS HB 287(FIN)

**Chapter No.**

6

## AN ACT

Making appropriations for public education and transportation of students; and providing for an effective date.

---

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

THE ACT FOLLOWS ON PAGE 1

**Approved by the Governor:** May 3, 2018

**Actual Effective Date:** Sections 4, 5(c), and 5(d) are conditional; remainder of Act takes effect July 1, 2018

AN ACT

- 1 Making appropriations for public education and transportation of students; and providing for  
2 an effective date.

3

4

---

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

## Chapter 6

1   \* **Section 1.** The following appropriation items are for operating expenditures from the  
2   general fund or other funds as set out in section 2 of this Act to the agencies named for the  
3   purposes expressed for the fiscal year beginning July 1, 2018 and ending June 30, 2019,  
4   unless otherwise indicated.

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
	***** <b>Department of Education and Early Development</b> *****		
	*****	*****	
10	<b>K-12 Aid to School Districts</b>	<b>26,128,400</b>	<b>26,128,400</b>
11	Foundation Program	26,128,400	
12	<b>K-12 Support</b>	<b>12,111,400</b>	<b>12,111,400</b>
13	Boarding Home Grants	7,453,200	
14	Youth in Detention	1,100,000	
15	Special Schools	3,558,200	
16	<b>Mt. Edgecumbe Boarding School</b>	<b>12,863,300</b>	<b>307,400</b>
17	Mt. Edgecumbe Boarding	11,420,600	
18	School		
19	Mount Edgecumbe Boarding	1,442,700	
20	School Facilities		
21	Maintenance		
22	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)		



1    **\* Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of  
 2    this Act.

3    Funding Source	Amount
4 <b>Department of Education and Early Development</b>	
5    1002   Federal Receipts	250,000
6    1004   Unrestricted General Fund Receipts	12,111,400
7    1005   General Fund/Program Receipts	307,400
8    1007   Interagency Receipts	7,473,300
9    1043   Federal Impact Aid for K-12 Schools	20,791,000
10   1066   Public School Trust Fund	10,000,000
11   1108   Statutory Designated Program Receipts	170,000
12   *** Total Agency Funding ***	51,103,100
13   * * * * * <b>Total Budget</b> * * * * *	<b>51,103,100</b>

14                                    (SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

## Chapter 6

1   \* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of  
2   this Act.

3   Funding Source	Amount
4 <b>Unrestricted General</b>	
5   1004   Unrestricted General Fund Receipts	12,111,400
6   *** Total Unrestricted General ***	12,111,400
7 <b>Designated General</b>	
8   1005   General Fund/Program Receipts	307,400
9   *** Total Designated General ***	307,400
10 <b>Other Non-Duplicated</b>	
11   1066   Public School Trust Fund	10,000,000
12   1108   Statutory Designated Program Receipts	170,000
13   *** Total Other Non-Duplicated ***	10,170,000
14 <b>Federal Receipts</b>	
15   1002   Federal Receipts	250,000
16   1043   Federal Impact Aid for K-12 Schools	20,791,000
17   *** Total Federal Receipts ***	21,041,000
18 <b>Other Duplicated</b>	
19   1007   Interagency Receipts	7,473,300
20   *** Total Other Duplicated ***	7,473,300

21                    (SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

1     \* **Sec. 4. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT.** The sum of  
2     \$30,000,000 is appropriated from the general fund to the Department of Education and Early  
3     Development to be distributed as grants to school districts according to the average daily  
4     membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the fiscal year  
5     ending June 30, 2020.

6     \* **Sec. 5. FUND CAPITALIZATION.** (a) The amount necessary to fund the total amount for  
7     the fiscal year ending June 30, 2019, of state aid calculated under the public school funding  
8     formula under AS 14.17.410(b), estimated to be \$1,189,677,400, is appropriated from the  
9     general fund to the public education fund (AS 14.17.300).

10       (b) The amount necessary, estimated to be \$78,184,600, to fund transportation of  
11     students under AS 14.09.010 for the fiscal year ending June 30, 2019, is appropriated from the  
12     general fund to the public education fund (AS 14.17.300).

13       (c) The amount necessary to fund the total amount for the fiscal year ending June 30,  
14     2020, of state aid calculated under the public school funding formula under AS 14.17.410(b)  
15     is appropriated from the general fund to the public education fund (AS 14.17.300).

16       (d) The amount necessary to fund transportation of students under AS 14.09.010 for  
17     the fiscal year ending June 30, 2020, is appropriated from the general fund to the public  
18     education fund (AS 14.17.300).

19     \* **Sec. 6. LAPSE.** The appropriations made in sec. 5 of this Act are for the capitalization of a  
20     fund and do not lapse.

21     \* **Sec. 7. CONTINGENCY.** The appropriations made in secs. 4 and 5(c) and (d) of this Act  
22     are contingent on passage by the Thirtieth Alaska State Legislature and enactment into law of  
23     a version of Senate Bill 26.

24     \* **Sec. 8.** Sections 4 and 5(c) and (d) of this Act take effect July 1, 2019.

25     \* **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2018.





## LAWS OF ALASKA

2014

**Source**

HCS CSSB 119(FIN) am H

**Chapter No.**

18

**AN ACT**

Making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date.

---

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

THE ACT FOLLOWS ON PAGE 1

**Approved by the Governor:** May 28, 2014

**Actual Effective Date:** The appropriations made in sections 10 - 12, 13(a), 13(b), 16(b), 17(c), 24(c), 32(a) - (e), and 48 are conditional; sections 4, 7, 13 - 15, 16(b), 17 - 26, and 52(a) - (d) take effect May 29, 2014; sections 16(a), 30, 33, 34(a) - (e), 35 - 47, 49, and 50 take effect June 30, 2014; remainder of Act takes effect July 1, 2014

Chapter 18

1 DEVELOPMENT. (a) The sum of \$4,450,000 is appropriated from the in-state natural gas  
2 pipeline fund (AS 31.25.100) to the Department of Commerce, Community, and Economic  
3 Development, Alaska Gasline Development Corporation, for operating costs for the fiscal  
4 year ending June 30, 2015.

5 (b) The sum of \$250,000 is appropriated from the general fund to the Department of  
6 Commerce, Community, and Economic Development, Regulatory Commission of Alaska, for  
7 the personal and contractual services costs associated with determining whether creating an  
8 independent system operator or similar structure for electric utilities in the Railbelt area is the  
9 best option for effective and efficient electrical transmission, for the fiscal year ending  
10 June 30, 2015.

11 \* Sec. 32. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. (a)  
12 The sum of \$460,000 is appropriated from the Alaska higher education investment fund  
13 (AS 37.14.750) to the Department of Education and Early Development, Alaska Commission  
14 on Postsecondary Education, to replace the current grant and financial aid management  
15 system.

16 (b) The sum of \$42,953,500 is appropriated from the general fund to the Department  
17 of Education and Early Development to be distributed as state aid to districts according to the  
18 average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the  
19 fiscal year ending June 30, 2015.

20 (c) The sum of \$32,243,700 is appropriated from the general fund to the Department  
21 of Education and Early Development to be distributed as state aid to districts according to the  
22 average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the  
23 fiscal year ending June 30, 2016.

24 (d) The sum of \$19,904,200 is appropriated from the general fund to the Department  
25 of Education and Early Development to be distributed as state aid to districts according to the  
26 average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the  
27 fiscal year ending June 30, 2017.

28 (e) It is the intent of the legislature that the appropriations made in (b) - (d) of this  
29 section allow the Alaska public school system to maintain operations at a level sufficient to  
30 educate children and provide time for all stakeholders to work with the legislature to identify  
31 innovative approaches and possible consolidation of services that will, over time, lower costs

1 while maintaining a quality  
2 increased funding under (f)  
3 identifying solutions imple  
4 identified by the public se  
5 spending levels to the spen

6 \* Sec. 33. DEPARTMENT  
7 and unobligated general  
8 appropriations made in sec  
9 90, lines 25 - 27 (Dep  
10 infrastructure projects, Di  
11 sec. 1, ch. 15, SLA 2009  
12 (Department of Environm  
13 facilities grants (AS 46.  
14 \$3,090,000) are reappro  
15 payment as a grant unc

16 improvements, phase II,  
17 component within the divi

18 \* Sec. 34. DEPARTME  
19 and unobligated balance,  
20 the appropriation made in  
21 Health and Social Servi  
22 reappropriated to the Dep  
23 for safety enhancements t

24 (b) The unexpenc  
25 balance of \$2,000,000, of  
26 26 - 28 (Department of H  
27 - \$24,200,000) is reapp  
28 emergency medical servi

29 (c) The unexpen  
30 balance of \$2,000,000, o  
31 26 - 28 (Department of F



# LAWS OF ALASKA

2015

**Source**

**CS CSSB 26(FIN) am H**

**Chapter No.**

38

**AN ACT**

making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

**Approved with Item Veto:** June 29, 2015

**Actual Effective Date:** The appropriation made in section 15 is conditional; sections 4, 7, 10, 21, 42, 44(c), and 45 take effect June 30, 2015; sections 25, 26, 27(a), 27(b), 27(c), 28 - 39, 41, and 43 take effect June 30, 2015; remainder of Act takes effect July 1, 2015

Chapter 38

1 70, lines 7 - 8 (Department of Military and Veterans' Affairs, Army Guard facilities projects,  
2 Fairbanks, design new readiness center - \$650,000), estimated balance of \$650,000;  
3 (90) sec. 21(a), ch. 16, SLA 2013 (Alaska Gasline Inducement Act  
4 reimbursement fund, natural gas pipeline project construction inducement under  
5 AS 43.90.110(a)(1) - \$25,000,000);

~~6 (91) sec. 1, ch. 18, SLA 2014, page 50, lines 20 - 22 (Department of  
7 Education and Early Development, Alaska digital teaching initiative three-year demonstration  
8 project - \$4,000,000);~~

~~9 (92) sec. 1, ch. 18, SLA 2014, page 56, line 3, and allocated on page 56, lines  
10 6 - 8 (Department of Military and Veterans' Affairs, armory facilities projects, Joint Base  
11 Elmendorf Richardson facilities projects - \$2,350,000), estimated balance of \$120,000;~~

12 (93) sec. 18(b), ch. 18, SLA 2014 (Department of Military and Veterans'  
13 Affairs, covered storage for the 168th Wing at Eielson Air Force Base), estimated balance of  
14 \$195,000.

15 \* Sec. 42. REPEALS. (a) Section 28(f), ch. 16, SLA 2014, is repealed.

16 (b) Sections 32(c) and 32(d), ch. 18, SLA 2014, are repealed.

17 (c) Section 4, ch. 5, FSSLA 2011, page 127, lines 23 - 26, and allocated on page 128,  
18 line 33, through page 130, line 4, is repealed.

19 \* Sec. 43. LAPSE EXTENSION. The appropriation made in sec. 10, ch. 43, SLA 2010,  
20 page 62, lines 22 - 24 (Anchorage, 13th Avenue gateway element improvements - \$100,000)  
21 lapses June 30, 2016.

22 \* Sec. 44. LAPSE. (a) The appropriations made in secs. 16, 23(2), 24, 25(b), 25(d), 27(a),  
23 27(d), 28, 29(b), 31, 32, 34(a), 37(a), and 38(b) of this Act are for capital projects and lapse  
24 under AS 37.25.020.

25 (b) The appropriations made in secs. 21, 23(1), 26, 27(b), 29(a), and 41 of this Act are  
26 for the capitalization of funds and do not lapse.

27 (c) The unexpended and unobligated balances, estimated to be a total of \$1,075,000,  
28 of the appropriations made in secs. 16(a) and (c), ch. 16, SLA 2013, lapse into the general  
29 fund on April 19, 2015.

30 (d) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a  
31 capital project and lapses under AS 37.05.316 unless designated for a specific fiscal year.



1 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
2 FIRST JUDICIAL DISTRICT AT JUNEAU

3 THE ALASKA LEGISLATIVE COUNCIL,  
4 on behalf of THE ALASKA STATE  
5 LEGISLATURE,

6 Plaintiff,

7 v.

8 HONORABLE MICHAEL J. DUNLEAVY,  
9 in his official capacity as Governor  
10 for the State of Alaska,  
11 KELLY TSHIBAKA, in her official  
12 capacity as Commissioner of  
Administration for the State  
of Alaska, and MICHAEL JOHNSON,  
in his official capacity as Commissioner of  
Education and Early Development for  
the State of Alaska.

13 Defendants.

Case No. 1JU-19-00753CI

14 **AFFIDAVIT OF JENNIFER FLETCHER**

15 I, Jennifer Fletcher, being first duly sworn, do depose and state as follows:

16 I am the Legislative Librarian for the Alaska State Legislature and am employed  
17 by the Legislative Affairs Agency.

18 I attest to the authenticity of the attached materials, which are being produced in  
19 the above-captioned suit. The attached materials represent the complete House and  
20 Senate committee bill files submitted to the Legislative Library with respect to HB 287,  
21 passed by the Alaska State Legislature in 2018.

22 AFFIDAVIT OF JENNIFER FLETCHER  
Legislative Council v. Dunleavy, Case No. 1JU-19-00753CI

1 The records attached to this affidavit or accompanying this affidavit are in fact  
2 actual true and correct copies of the records maintained in the ordinary course of  
3 business of the Alaska State Legislature. I am familiar with those records and the  
4 manner in which they are created, stored, and maintained.

5 The accompanying records are true and correct copies of records maintained by  
6 the Alaska State Legislature and those records were created contemporaneously with the  
7 events to which they refer.

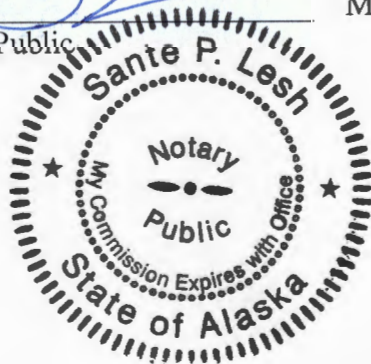
8  
9 Signed: \_\_\_\_\_

Jennifer Fletcher  
Legislative Librarian

10  
11 Sworn to and subscribed before me this date: Sept. 6, 2019

12 [Signature]  
Notary Public

My Commission expires with office



## HB 287 (2018) HFIN files



## HOUSE COMMITTEE REPORT

**Date Referred to Committee: 1/16/18**

**FURTHER REFERRALS:**

Date of Committee Action: 2-1-2018

**The FINANCE Committee considered:**

**HB 287**

**HOUSE BILL NO. 287**

**"An Act making appropriations for public education and transportation of students; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."**

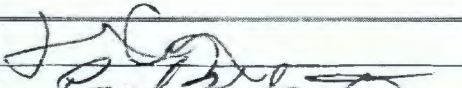
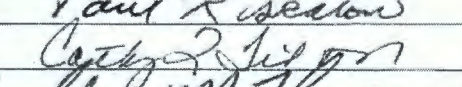
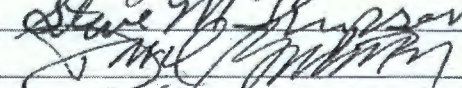

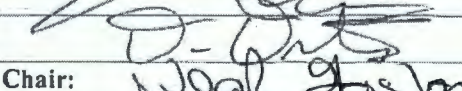
**HB 287-APPROP: EDUCATION/STUDENT TRANSPORTATION**

**Recommends it be replaced with [ ] HCS or [ ] CS for \_\_\_\_\_ ( )**  
***For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR \_\_\_\_\_ [ ] Same Title [ ] New Title***

☐ attach amendments  
☐ add new referral to \_\_\_\_\_ Committee  
☐ Letter of Intent \_\_\_\_\_ Committee

*List of  
Abbrev  
for  
Depts.:*  
ADM  
AJS  
CED  
COR  
EED  
DEC  
DFG  
GOV  
DHS  
LWF  
LAW  
LEG  
MVA  
DNR  
DPS  
REV  
DOT  
UA

[illegible][illegible]

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	GRENN	X			
Paul R. Seaton	SEATON	✓			
	Tilton				✓
Cathy R. Tilton	Thompson				✓
	Thompson	✓			
Steve M. Thompson	Pratt				✓
	Kangam	X			
Mike Pratt	Gare	✓			
	Ortiz	✓			
D. W. Ortiz	Foster	✓			
Chair: Neal Gaslon					
<del>Chair:</del>					



**HOUSE BILL NO. 287**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**THIRTIETH LEGISLATURE - SECOND SESSION,**

**BY REPRESENTATIVES SEATON, Parish, Grenn, Drummond, Ortiz, Tuck, Kreiss-Tomkins, Edgmon, Kawasaki, Josephson, Spohnholz, Gara, Foster, Guttenberg, Stutes, LeDoux, Claman, Kito, Wool, Tarr, Fansler**

**Introduced: 1/16/18**

**Referred: Finance**

**A BILL**

**FOR AN ACT ENTITLED**

- 1 **"An Act making appropriations for public education and transportation of students;**
- 2 **making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska,**
- 3 **from the constitutional budget reserve fund; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)**

\* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2018 and ending June 30, 2019, unless otherwise indicated.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
	*****	*****		
	***** <b>Department of Education and Early Development</b> *****			
	*****	*****		
<b>K-12 Aid to School Districts</b>		<b>26,128,400</b>		<b>26,128,400</b>
Foundation Program	26,128,400			
<b>K-12 Support</b>		<b>12,111,400</b>	<b>12,111,400</b>	
Boarding Home Grants	7,453,200			
Youth in Detention	1,100,000			
Special Schools	3,558,200			
<b>Mt. Edgecumbe Boarding School</b>		<b>12,613,300</b>	<b>57,400</b>	<b>12,555,900</b>
Mt. Edgecumbe Boarding	11,420,600			
School				
Mount Edgecumbe Boarding	1,192,700			
School Facilities				
Maintenance				

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

1    \* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of  
2    this Act.

3    Funding Source	Amount
4 <b>Department of Education and Early Development</b>	
5    1002   Federal Receipts	250,000
6    1004   Unrestricted General Fund Receipts	12,111,400
7    1005   General Fund/Program Receipts	57,400
8    1007   Interagency Receipts	7,473,300
9    1043   Federal Impact Aid for K-12 Schools	20,791,000
10   1066   Public School Trust Fund	10,000,000
11   1108   Statutory Designated Program Receipts	170,000
12   *** Total Agency Funding ***	50,853,100
13   * * * * * <b>Total Budget</b> * * * * *	<b>50,853,100</b>
14                               (SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)	

1	* Sec. 3. The following sets out the statewide funding for the appropriations made in sec. 1 of	
2	this Act.	
3	Funding Source	Amount
4	<b>Unrestricted General</b>	
5	1004 Unrestricted General Fund Receipts	12,111,400
6	*** Total Unrestricted General ***	12,111,400
7	<b>Designated General</b>	
8	1005 General Fund/Program Receipts	57,400
9	*** Total Designated General ***	57,400
10	<b>Other Non-Duplicated</b>	
11	1066 Public School Trust Fund	10,000,000
12	1108 Statutory Designated Program Receipts	170,000
13	*** Total Other Non-Duplicated ***	10,170,000
14	<b>Federal Receipts</b>	
15	1002 Federal Receipts	250,000
16	1043 Federal Impact Aid for K-12 Schools	20,791,000
17	*** Total Federal Receipts ***	21,041,000
18	<b>Other Duplicated</b>	
19	1007 Interagency Receipts	7,473,300
20	*** Total Other Duplicated ***	7,473,300
21	(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)	



1     \* **Sec. 4. PUBLIC EDUCATION; CONSTITUTIONAL BUDGET RESERVE FUND.** (a)  
2     The sum of \$1,200,000,000 is appropriated from the budget reserve fund (art. IX, sec. 17,  
3     Constitution of the State of Alaska) to the public education fund (AS 14.17.300).

4             (b) The amount necessary, after the appropriation made in (a) of this section, to fund  
5     transportation of students under AS 14.09.010 for the fiscal year ending June 30, 2019,  
6     estimated to be \$67,862,000, is appropriated from the budget reserve fund (AS 37.05.540) to  
7     the public education fund (AS 14.17.300).

8             (c) The appropriation made in (a) of this section is made under art. IX, sec. 17(c),  
9     Constitution of the State of Alaska.

10    \* **Sec. 5. LAPSE.** The appropriations made in sec. 4(a) and (b) of this Act are for the  
11    capitalization of a fund and do not lapse.

12    \* **Sec. 6.** This Act takes effect July 1, 2018.

# House Finance Committee February 1st 2018, 1:30 pm

HB287 (8)

## Anchorage LIO (1)

Name	Affiliation	Location	Testimony	Time Joined	
Starr Marsett	Anchorage School Board	Anchorage	Yes	1:21 PM	<i>new</i>

## Juneau LIO (3)

Name	Affiliation	Location	Testimony	Time Joined	
Arnold Liebelt	Staff, Representative Paul Seaton	In Room	Unavailable	1:24 PM	
David Teal	Director, Legislative Finance Division	In Room	Yes	1:25 PM	<i>new</i>
Mark Miller	Juneau School District	In Room	Yes	1:54 PM	



## Sitka LIO (1)

Name	Affiliation	Location	Testimony	Time Joined	
Jennifer McNichol	Sitka School Board	Sitka	Yes	1:34 PM	<i>new</i>

2/1/2018

Meeting Application

Matsu LIO (1)

Name	Affiliation	Location	Testimony	Time Joined	
Mayor Bert Cottle	City of Wasilla	Matsu	Yes	1:53 PM	.new

## Fairbanks LIO (1)

Name	Affiliation	Location	Testimony	Time Joined	
John Ringstad	Fairbanks North Star Borough School District	Fairbanks	Yes	1:54 PM	<i>new</i>

2/1/2018

Meeting Application

Offnet (1)

Name	Affiliation	Location	Testimony	Time Joined
David Boyle	Alaska Policy Forum	Anchorage	Yes	2:00 PM



# HB 287 Education and Pupil Transportation

## An Early and Stand-alone Appropriation Bill

---

ARNOLD LIEBELT – STAFF TO REPRESENTATIVE PAUL SEATON  
HOUSE FINANCE PRESENTATION – JANUARY 25, 2018

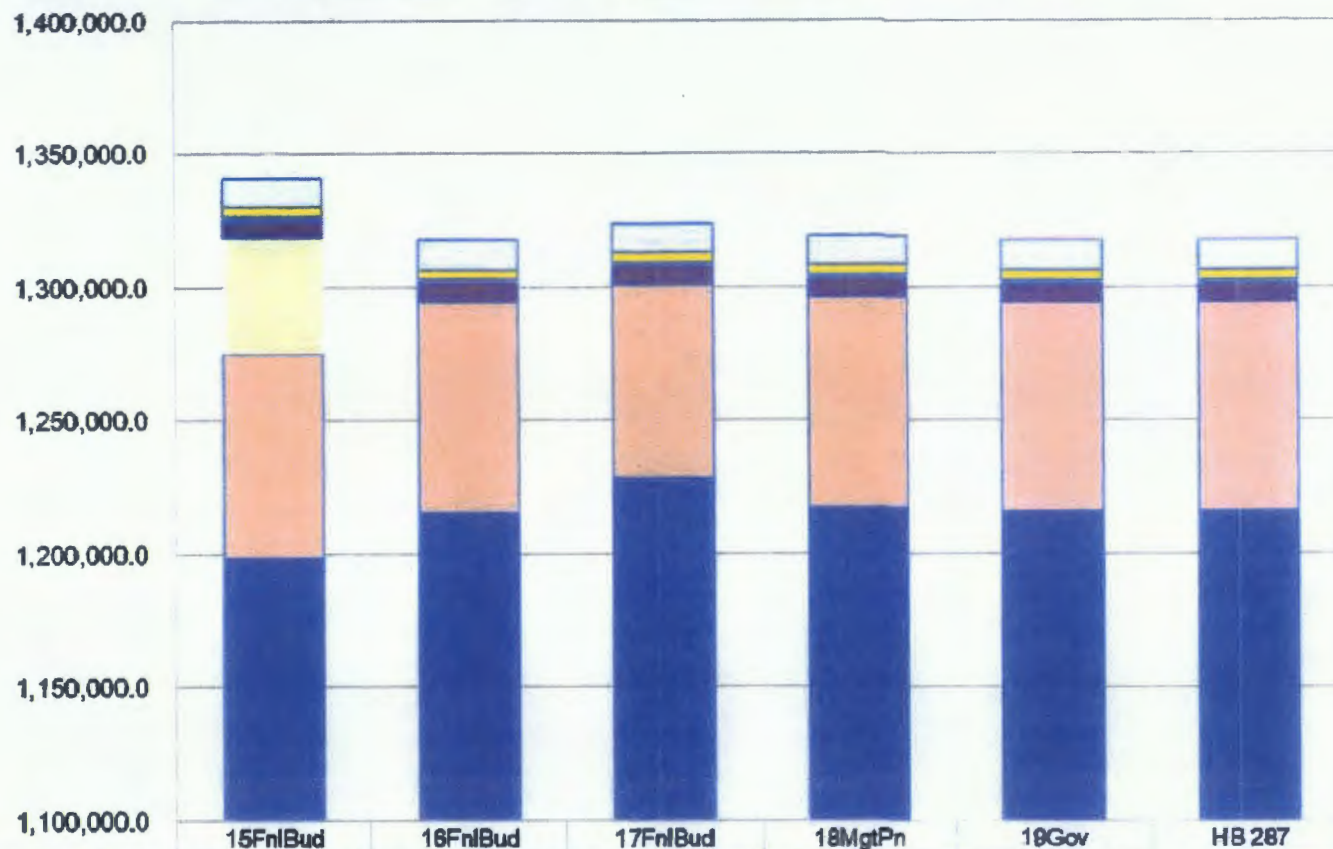
# HB 287

The Bill uses the Constitutional Budget Reserve fund (CBR), the Statutory Budget Reserve fund (SBR), and other funds for K-12 Education and Pupil Transportation.

## **The bill will:**

- Allow school districts to know their state aid in advance of passage of the state operating budget.
- Avoid unnecessary teacher layoff notices due to passage of the state operating budget after school districts plan their budgets.
- Include the same level of funding as the Governor's request.
- Appropriate \$1.2 billion from CBR and about \$67.8 million from SBR.

## K-12 Funding History - All Funds (FY15-19)



Mount Edgecumbe Boarding School Facilities Maintenance	-	-	-	-	1,192.7	1,192.7
■ Mt. Edgecumbe Boarding School	10,927.0	10,808.3	10,833.3	10,614.0	11,420.6	11,420.6
■ Special Schools	3,663.3	3,582.4	3,532.4	3,563.9	3,558.2	3,558.2
■ Youth in Detention	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
■ Boarding Home Grants	6,960.3	7,696.4	7,553.2	7,453.2	7,453.2	7,453.2
Additional Foundation Funding	42,953.5	-	-	-	-	-
■ Pupil Transportation	76,773.9	79,240.3	72,619.8	79,029.6	78,184.6	78,184.6
■ Foundation Program	1,198,664.3	1,215,262.7	1,228,382.9	1,217,257.6	1,215,805.8	1,215,805.8

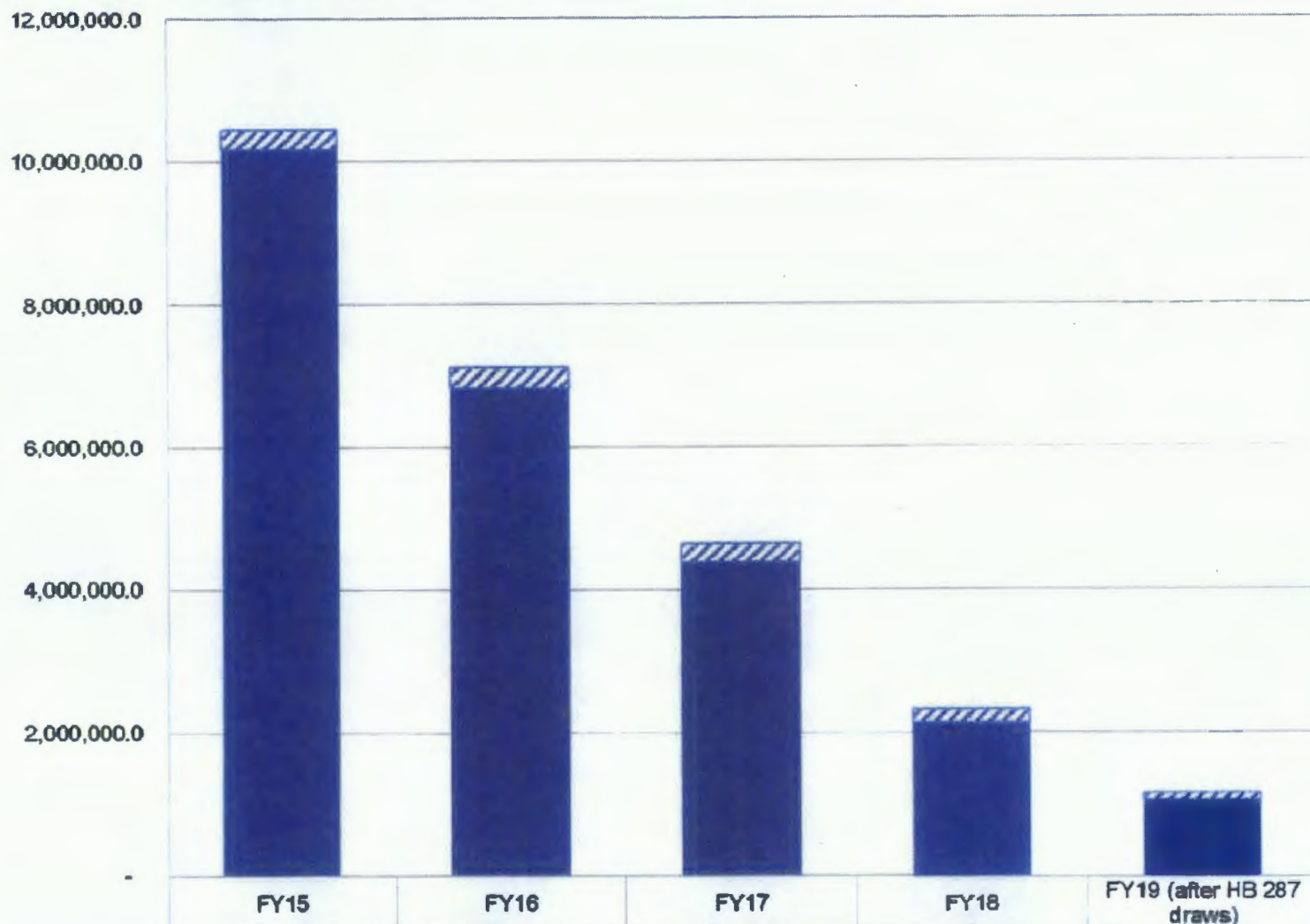


# Why use the CBR and SBR?

- 1) Education is required by the Constitution and is a high priority program that legislators support.
- 2) The CBR earns lower interest rates when compared to other funds for generating revenue.
- 3) Using the CBR for education preserves the growth of higher earning funds, thus allowing for greater revenue in the future.
- 4) Only the CBR or the Earnings Reserve Account (ERA) include sufficient funds to fully fund education and pupil transportation.
- 5) The CBR balance after this appropriation would be above \$1 billion.
- 6) The SBR has sufficient balance to allow flexibility for “estimated to be”.

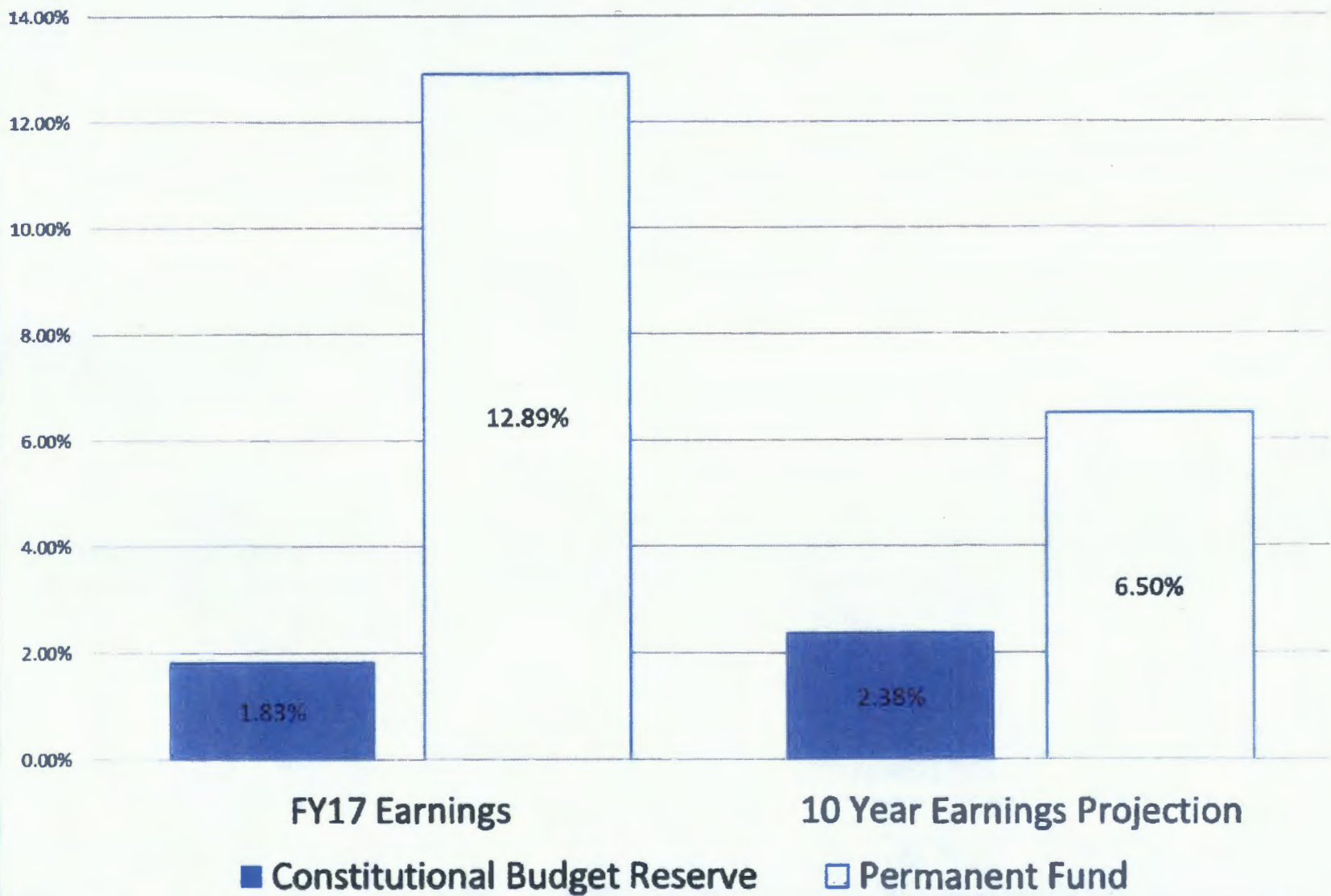


## End-of-Year Savings Balances - FY15-19



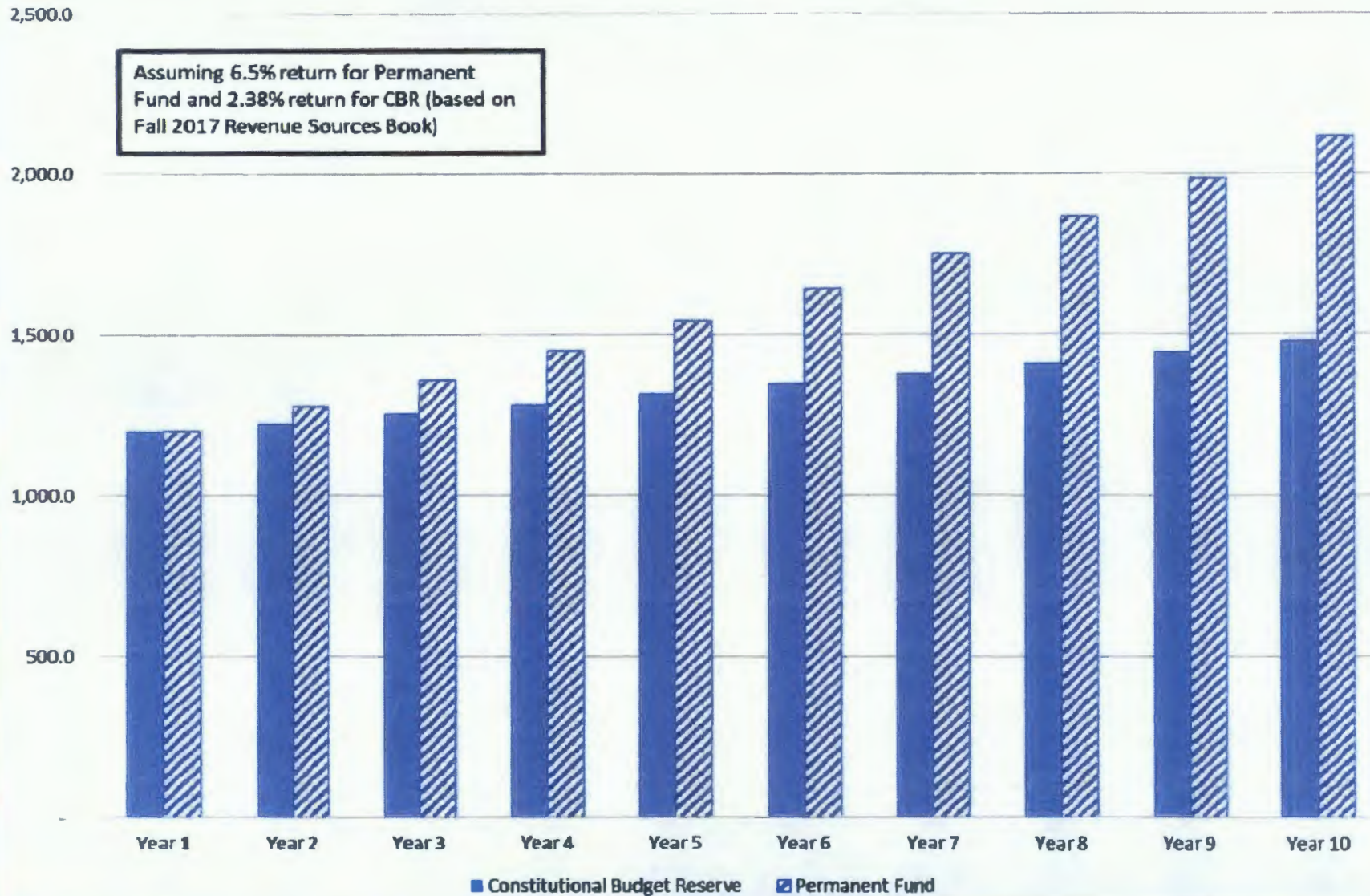
Statutory Budget Reserve	287,974.0	287,974.0	267,974.0	172,422.0	104,560.0
Constitutional Budget Reserve	10,153,804.0	6,820,888.0	4,373,288.0	2,146,988.0	1,063,288.0

### Earnings Comparisons - CBR and Permanent Fund





## Effect of Earnings Rate on \$1.2 Billion



# Late Passage of Operating Budget

In 2015, the state needed to come back in special session to pass a second operating budget that included education funding. This special session bill passed the legislature on June 11 and was signed by the Governor on June 29.

In 2016, the state operating budget was passed by the legislature on May 31 and signed by the governor on June 28.

Last session, the state operating budget did not pass the Legislature until June 22 and was signed by the Governor on July 1.

Funding uncertainty forces school districts to draft multiple budgets. Anticipating low appropriations requires districts to give termination notices (pink slips) to non-tenured teachers by May 15 and to tenured teachers by the last day of school.



Education is one of the highest priority programs for the state and educators are shaping future generations.

HB 287 reflects the importance of education to our state.

Representative Seaton,

The Anchorage School Board has as one of its legislative priorities receiving early notice from the Legislature for education funding. Although our preferred date is March 1st since that is when our budget is due to our local Assembly as per Municipal code, we do support your bill which will help us avoid the pink slip debacle that our teachers and HR department endured last year. This will have a direct impact on our ability to retain quality teachers. Thank you for your support of education.

Sincerely,

Ms. Tam Agosti-Gisler  
President  
Anchorage School Board  
5530 East Northern Lights Blvd.  
Anchorage, AK 99504-3135  
(907) 742-1101 ext. 4

234 Gold Street  
Juneau, Alaska 99801



January 23, 2018

Chairman Paul Seaton  
House Finance Committee  
State Capitol Rm 505  
Juneau AK 99801

Dear Chairman Seaton:

The Alaska Council of School Administrators (ACSA) supports HB287, "An Act making appropriations for public education and transportation of students; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

Stable, timely funding for education is our highest priority for this session, as noted in our Joint Position Statements - Priority Funding for Education, which reads as follows:

*The State of Alaska must provide timely, reliable, and predictable revenue for schools, funding the true cost of an adequate education in all districts and providing full funding for all initiatives, laws and mandates that require additional services. Early notification of funding is crucial to sound financial management, as well as recruitment and retention of quality educators.*

Education was previously funded on a forward basis, enabling school boards to finalize district budgets in March. This was well before the required date for notice to teachers of layoff or non-retention of May 15 (AS 14.20.140). Without forward funding, school districts must try to finalize their budgets by the end of April, but have substantial uncertainty as to what that funding might eventually be.

The result, as seen last year when the operating budget did not pass the Legislature until July 1, is to force many school districts to issue layoff notices. By recapitalizing the Public Education Fund (i.e. forward funding), HB287 will prevent this from happening. Please let me know how else we might support your efforts, and thanks!

Cordially,

Deanna Beck  
ACSA President / AASSP President

Lisa Skiles Parady, JD, EdD  
ACSA Executive Director

**From:** milli

**Sent:** Monday, January 22, 2018 8:58 AM

**To:** Rep. Paul Seaton <Rep.Paul.Seaton@akleg.gov>

**Subject:** HB 287

Good Morning Paul,

I am thrilled to see this bill. It is something that I know was attempted back in the 1980's, not successfully. It seems education funding is held because it makes a great "negotiation tool for the final budget vote. It should be automatically done early in the session and avoid pink slipping our teachers. Thank you for introducing the bill and I am delighted to see so much support.

Thanks so much Paul,

Milli Martin

District 31

**From:** Marion K. Nelson



To: Rep. Paul Seaton

Subject: HB 287

Date: Monday, January 22, 2018 10:13:08 PM

Representative Seaton....

I support:

HB 287 - "An Act making appropriations for public education and student transportation". This Bill appropriates funding from the Constitutional Budget Reserve (CBR) and the Statutory Budget Reserve (SBR) to the public education fund for K-12 funding and student transportation. The bill also appropriates funding for Boarding Home Grants, Youth in Detention, Special Schools, and Mt. Edgecumbe Boarding School.

Marion K Nelson  
Kenai 99611

Southwest Region School District is in support of early notice of funding as requested in HB 287. Please see attached resolution. Please add this to the record. Thank you.

--  
David J. Piazza  
Superintendent  
Southwest Region Schools  
P.O. Box 90  
Dillingham, AK 99576  
(907) 842 - 8223 Direct  
(907) 842 - 5287 Switchboard  
(907) 842 - 5428 FAX



# NEA-ALASKA

*Reach. Teach. Inspire.*

January 29, 2018

The Honorable Paul Seaton and the Honorable Neal Foster  
Alaska State Representatives  
Co-Chairs, House Finance Committee  
State Capitol Rooms 505 and 410  
Juneau, AK 99801

**RE: House Bill 287**

Dear Co-Chairs Seaton and Foster:

On behalf of 13,000 teachers and education support professionals statewide, I am writing to express NEA-Alaska's support for House Bill 287.

This appropriation is a proactive step by the legislature to give confidence, predictability, and stability back to our school districts, educators, and communities. This legislation will limit pink slips, reduce the stress placed on educators, and provide districts the ability to develop realistic budgets based on accurate state funding levels.

There is no question that some Alaska educators are leaving the state due to budget uncertainty every year. Alaska started the 2017-2018 school year with 250 vacant teaching positions. Each of these vacancies means lost opportunities for Alaska students, larger class sizes, and less time for one-on-one learning. If the cycle of laying off educators at the end of every school year continues, these vacancies will only rise as our best and brightest leave the profession, and the state, for more stable careers.

Under HB 287 districts will be empowered to make early decisions regarding their budgets. This approach lends itself to more transparency, community involvement, and input from all stakeholders. Educators who are impacted by declining budgets will have the certainty they need to make informed decisions about their futures, rather than having to wait until well into the summer to find out whether or not they have jobs in the fall. Having the ability to plan for the future will help to attract and retain the high quality educators our students deserve.

I know from experience that when students have the time to get to know and trust their teacher and the teacher gets to know their students, that's when real learning happens. That trust isn't built overnight, and it's certainly not built by having teachers cycle in and out of our public schools every few years. This is one of the underlying issues that HB 287 addresses and why NEA-Alaska so adamantly supports it.



January 30, 2018

**COMMITTEE:**

HOUSE FINANCE

**DATE:** January 30, 2018

**SUBJECT:**

HB287-APPROP: EDUCATION/STUDENT TRANSPORTATION



# PLEASE SIGN IN

PLEASE PRINT:

NAME & TITLE

EMAIL ADDRESS

& PHONE NUMBER

REPRESENTING

(No acronyms unless for  
a state agency, please.)

DO YOU WANT  
TO TESTIFY?

QUESTIONS  
ONLY

✓	Tim Parker	tim.parker@neaalaska.org	NEA - Alaska	Yes	
✓	Chris Bushof	cbushof@gmail.com	self	Yes	
✓	JAMES HARRIS	jamesbryanharris@gmail.com	self	YES	
✓	Amy Jo Meiners	ameiners@gci.net	self	yes	
✓	Patrick Mayer		ASA	yes	



January 25, 2018

**COMMITTEE:**

HOUSE FINANCE

**DATE:** January 25, 2018

**SUBJECT:**

HB287-APPROP: EDUCATION/STUDENT TRANSPORTATION



# PLEASE SIGN IN

PLEASE PRINT:

NAME & TITLE

EMAIL ADDRESS

& PHONE NUMBER

REPRESENTING

(No acronyms unless for a state agency, please.)

DO YOU WANT  
TO TESTIFY?

QUESTIONS  
ONLY

✓ Amy Lujan, Exec Director	723-7415 alasko@aci.net	AK Assoc of School Business Officials	Y	
✓ Mark Miller	Juneau schools.org	Juneau S.D	Y	
✓ Lisa Parady	Juneau	ACSA	Y	
✓ Heidi Teshner		DEED		✓
✓ Kaitie Wasserman	Juneau	AML	Y	



ALASKA STATE LEGISLATURE  
**HOUSE FINANCE COMMITTEE**

State Capitol, Room 519

Rep. Paul Seaton, Co-Chair

Rep. Neal Foster, Co-Chair

Thursday, February 1, 2018

1:30 PM

Agenda:

HB 321-APPROP: SUPPLEMENTAL OP.; FUND; AMENDING

Supplemental Budget Presentation:

Pat Pitney, Director, Office of Management and Budget, Office of the Governor

Neil Steininger, Chief Budget Analyst, Office of Management and Budget

NS

HB 287-APPROP: EDUCATION/STUDENT TRANSPORTATION

Seaton

PUBLIC TESTIMONY OPEN

REPORTING OUT

NO FISCAL NOTES APPROP BILL

Testifying in Person:

Arnold Liebelt, Staff, Representative Paul Seaton

David Teal, Director, Legislative Finance Division

Brian Fletcher

February 1, 2018

**COMMITTEE:**

HOUSE FINANCE

**DATE:** February 1, 2018

**SUBJECT:**

HB287-APPROP: EDUCATION/STUDENT TRANSPORTATION



# PLEASE SIGN IN

PLEASE PRINT:

NAME & TITLE

EMAIL ADDRESS

& PHONE NUMBER

REPRESENTING

(No acronyms unless for  
a state agency, please.)

DO YOU WANT  
TO TESTIFY?

QUESTIONS  
ONLY

✓ Mark Miller		Juneau School Dist	Y	Y



Representative Seaton,

The Anchorage School Board has as one of its legislative priorities receiving early notice from the Legislature for education funding. Although our preferred date is March 1st since that is when our budget is due to our local Assembly as per Municipal code, we do support your bill which will help us avoid the pink slip debacle that our teachers and HR department endured last year. This will have a direct impact on our ability to retain quality teachers. Thank you for your support of education.

Sincerely,

Ms. Tam Agosti-Gisler  
President  
Anchorage School Board  
5530 East Northern Lights Blvd.  
Anchorage, AK 99504-3135  
(907) 742-1101 ext. 4



----- Original message -----

From: Alexei Painter <[Alexei.Painter@akleg.gov](mailto:Alexei.Painter@akleg.gov)>

Date: 1/25/18 12:29 PM (GMT-09:00)

To: "Rep. Paul Seaton" <[Rep.Paul.Seaton@akleg.gov](mailto:Rep.Paul.Seaton@akleg.gov)>, "Rep. Neal Foster" <[Rep.Neal.Foster@akleg.gov](mailto:Rep.Neal.Foster@akleg.gov)>, Jane Pierson <[Jane.Pierson@akleg.gov](mailto:Jane.Pierson@akleg.gov)>, Arnold Liebelt <[Arnold.Liebelt@akleg.gov](mailto:Arnold.Liebelt@akleg.gov)>

Cc: "Teshner, Heidi A (EED)" <[heidi.teshner@alaska.gov](mailto:heidi.teshner@alaska.gov)>

Subject: Responses to Questions in 1/25/18 House Finance Meeting

Reps. Foster and Seaton,

Following up on questions from today's House Finance hearing on House Bill 287:

1. Rep. Wilson asked about the student count in FY18 and FY19. The FY18 average daily membership was 117,014 and the Department of Education projects that the FY19 average daily membership will be 116,814, a decrease of 200 students.
2. Rep. Wilson asked about the changes in funding for Mount Edgecumbe between FY18 and FY19. There is actually an error on that slide: the number on the slide for FY18 was \$10,614.0, but it should have been \$11,014.0.

The changes in funding from FY18 to FY19 are as follows:

- Decrease of \$100.0 of Public School Trust Funds (Other) due to the removal of a one-time item for the Mount Edgecumbe Aquatic Center.
- Increase of \$6.6 (\$2.8 inter-agency receipts, \$3.8 Public School Trust Funds, both Other fund sources) for health insurance increases;
- Increase of \$500.0 (\$250.0 inter-agency receipts, \$250.0 Federal) to align the budget with actual spending from previous years. In the past, the department used unbudgeted inter-agency receipts to receive federal grants and part of its foundation funding. This change brings the budget in line with actual spending.

In total, these changes bring Mt. Edgecumbe's funding from \$11,014.0 to \$11,420.6.

--  
Alexei Painter  
Fiscal Analyst  
Alaska Legislative Finance Division  
(907) 465-5434 (office)  
(907) 209-4717 (cell)  
[Alexei.Painter@akleg.gov](mailto:Alexei.Painter@akleg.gov)



NEA-Alaska educators are eager to support this legislation because we know it will be good for kids, good for our schools, and good for Alaska families.

Thank you for your consideration of HB 287.

Sincerely,

A handwritten signature in black ink, which appears to read "Tim Parker". The signature is written in a cursive, flowing style.

Tim Parker  
President, NEA-Alaska

SOUTHWEST REGION SCHOOL BOARD

RESOLUTION NO. 18-02

A RESOLUTION SUPPORTING THE EARLY FUNDING OF PUBLIC EDUCATION DURING THE LEGISLATIVE PROCESS

WHEREAS, the Constitution for the State of Alaska directs that "the legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions"; and

WHEREAS, each of the local public school districts are responsible for approving and adopting an annual budget that meets State Department of Education and Early Development financial reporting guidelines; and

WHEREAS, the budgeting process requires adequate time over a several month period to ensure that the public and various stakeholders, including municipalities, borough, and local school district boards of education, provide input and adopt the budget; and

WHEREAS, hiring qualified and excellent staff is a major key to meeting the needs of students and ensuring that the goals of Alaska's Education Challenge are met; and

WHEREAS, there is a state and national shortage of individuals who are pursuing careers in the teaching profession; and

WHEREAS, schools and districts must be able to begin the recruiting and hiring process for teachers early in the spring with the guarantee that funding will be available; and

WHEREAS, the legislative financial appropriation for the Alaska Department of Education and Early Development including each of the State's public school districts must be passed before each district can determine the actual number of staff that may be hired.

NOW, THEREFORE, BE IT RESOLVED that the Southwest Region School District urges the Legislature to establish adequate, equitable, sustainable, and predictable revenue for schools early in the legislative session.

PASSED, APPROVED AND ADOPTED BY THE SCHOOL BOARD OF THE SOUTHWEST REGION SCHOOL DISTRICT THIS 28<sup>th</sup> DAY OF NOVEMBER, 2017:

  
\_\_\_\_\_  
President, Southwest Region Schools

11-28-17  
Date

  
\_\_\_\_\_  
Superintendent, Southwest Region Schools

11-28-17  
Date

# Alaska State Legislature

120 4<sup>th</sup> Street  
State Capitol Room 505  
Juneau, Alaska 99801-1182  
(907) 465-2689  
1-800-665-2689



270 W. Pioneer Ave. Suite B  
Homer, Alaska 99603  
(907) 235-2921  
(907) 283-9170  
Fax: (907) 235-4008

**REPRESENTATIVE PAUL SEATON**  
Rep.Paul.Seaton@akleg.gov

## **Sponsor Statement HB 287**

### **Appropriation: Education and Student Transportation**

School districts rely on state and other funds for education funding every year. HB 287 makes appropriations from the Constitutional Budget Reserve fund (CBR) and from the Statutory Budget Reserve fund (SBR) for K-12 education and student transportation. The bill is intended to pass separately from the regular operating budget and early in the session to prevent school districts from issuing mandatory teacher layoff notices. Many lawmakers agree that education funding cannot withstand further cuts without negatively effecting Alaskan children. An early, separate appropriation for education that has existing funding identified would prevent these problems and will allow school districts to finalize their budgets on time.

The CBR and the SBR funds have much lower interest earning rates when compared to other funds. Using the CBR and the SBR for education preserves the growth of higher earning funds, thus allowing for greater revenue. When considering the proposed use of the CBR, the fund balance would still be over \$1 billion dollars after the appropriation made in this bill. The bill also makes appropriations from other fund sources for Boarding Home Grants, Youth in Detention, Special Schools, and Mount Edgecumbe Boarding School.

Even after the budget has passed the legislature line item veto or veto reductions can be made by the Governor. In 2015, the state needed to come back in special session to pass a second operating budget that included education funding. In 2016, the state operating budget was passed by the legislature on May 31 and signed by the governor on June 28. Last session, the state operating budget did not pass the Legislature until June 22 and signed by the Governor on July 1. All this uncertainty for the funding amount forces school districts to draft multiple budgets. Anticipating low amounts requires districts to



give termination notices (pink slips) to non-tenured teachers by May 15 and tenured teachers by the last day of school.

Education is one of the highest priority programs for the state, and educators are shaping future generations. HB 287 reflects the importance of education to our state.



## Anchorage School District

### Education Center

5530 E. Northern Lights Blvd. • Anchorage, AK 99504 • 907-742-4000 • [www.asdk12.org](http://www.asdk12.org)

January 25, 2018

Rep. Paul Seaton  
Co-Chair, House Finance Committee  
State Capitol Room 505  
Juneau, Alaska 99801

As superintendent of Anchorage School District, I would like to offer my support for HB 287 to provide known funding for education early in the legislative session as a separate appropriation.

Early funding will help to avoid unnecessary layoff notices going out to our teachers. As you stated, the statutory deadline for teacher layoff notices to go out is the May 15 for tenured teachers and the last day of school for non-tenured—typically the third week in May for ASD.

During this past legislative session, State budget negotiations went beyond the aforementioned statutory deadlines, funding levels were uncertain, and ASD was forced to issue layoff notices to 223 teachers. Some legislators at the time were calling for a three to five percent cut to K-12 education.

The risk for ASD was too high to avoid issuing the layoffs. Most of the teachers that received layoff notices were recalled, but the loss of morale surrounding the layoffs has been felt all year. The timeline for hiring quality applicants is also directly impacted by late or uncertain funding. If the District cannot issue contracts to these teachers early on, the highest quality applicants tend to find employment in states that are already hiring.

I appreciate your support for public education and would like to reiterate my support for having funding for education appropriated early in the legislative process. This will take the "guessing game" out of our budget process. Please contact me if I may provide additional information.

Sincerely,

Deena M. Bishop, Ed.D.  
Superintendent

*Educating All Students for Success in Life*

Anchorage School Board  
Starr Marsell, Vice President  
Kathleen Plunkett, Clerk

Tam Agosti-Gisler, President  
Elsa Snelling, Treasurer  
Betty Davis

Dave Donley  
Andy Holleman

Superintendent Dr. Deena Bishop

House Finance Committee Public Testimony  
Thursday, January 25, 2018 9:00AM

Chairs Foster and Seaton, members of the committee, for the record my name is David Piazza, Superintendent of the Southwest Region School District.

As many of you have heard previously, school districts need notice of funding levels as early as possible to help planning efforts for the upcoming school year. Although Southwest Region did not send out pink slips to employees last year, the District did hesitate on making hiring decisions early. This made for a long and drawn out hiring season. Where the District normally has all of its positions filled by June 1<sup>st</sup>, the District had several vacancies including two Principal/Teacher positions into the summer months. While the pool of candidates still contain quality individuals, the number of candidates are very limited, especially the ones that have made up their mind to seek their calling in Alaska.

The District supports measures by the legislature to secure funding early to help public school systems including the department of education as well as local schools to plan effectively and efficiently. The District supports HB 287.

Thank you for your attention in this matter.

**From:** Todd Hindman [<mailto:THindman@KPBSD.k12.ak.us>]  
**Sent:** Thursday, January 25, 2018 8:38 AM  
**To:** Rep. Paul Seaton <[Rep.Paul.Seaton@akleg.gov](mailto:Rep.Paul.Seaton@akleg.gov)>  
**Subject:** HB 287

I wanted to voice my support for HB 287. The reality in Alaska today is that we are not able to hire and retain qualified educators for a variety of reasons including but not limited to salaries in the lower 48 being competitive to the salaries in Alaska, the challenges of teaching in Alaska (especially in rural areas), and our defined contribution retirement system. This has been exacerbated in the past few years due to the delays in funding of the public education system. When districts have to wait late in the hiring system, the best teachers have been hired in the lower 48, greatly reducing the quality of the pool of possible applicants. While, this is only part of the problem, HB 287 is a step in the right direction to address the ability to hire and retain the best educators for our students.

Todd Hindman  
Principal, Fireweed Academy

*The most exciting phrase to hear in science, the one that heralds new discoveries, is not 'Eureka!' (I've found it!), but 'That's funny...' -Isaac Asimov.*

**PHONES:**

Main Office 907-235-9728; Little Fireweed 907-235-5792; FAX 907-235-8561

**Big Fireweed** (Grades 3-6 at West Homer Elementary)

995 Soundview Ave Homer, Alaska 99603

**Fireweed's main office is in room 214 at West Homer Elementary**

**Little Fireweed** (Kindergarten-2)

813 East End Road Homer, Alaska 99603





# 2018 Joint Position Statements

***Adequate funding for public education is our number one priority.***

## **Priority Funding for Education**

The State of Alaska must provide timely, reliable, and predictable revenue for schools, funding the true cost of an adequate education in all districts and providing full funding for all initiatives, laws and mandates that require additional services. Early notification of funding is crucial to sound financial management, as well as recruitment and retention of quality educators.

## **Revenue Enhanced Fiscal Plan Imperative**

Alaska's most important need is to immediately develop and implement a long-term multi-revenue fiscal plan, based on the following facts from the Alaska Legislative Finance Division:

1. State expenditures have been cut by \$3.5 billion (44.5%) since FY13, to a level equivalent to FY07.
2. FY17 revenue supported 46% of FY17 expenditures.
3. Budget reserves will be depleted by FY19.

We strongly oppose cost shifting state expenditure responsibilities to local governments.

## **Early Childhood Education**

ACSA believes in a continuum of quality education, which supports providing a foundation of excellent social, emotional and cognitive instruction to students from preschool through the elementary years. Research clearly demonstrates that early intervention and instruction is one of the best ways to increase student achievement across all demographics. ACSA believes funding early childhood education must be a priority to increase long-term success for all children and meet the constitutional obligation to provide equal protection under the law inclusive of educational opportunities.

## **Career and Technical Education**

Career and Technical Education (CTE) for both rural and urban schools is critical to high academic standards and Alaska's economic growth and stability. Collaboration through professional development and management between the Department of Education & Early Development (DEED) and Department of Labor & Workforce Development (DOL) with educators and industry based professionals is needed for the academic integration of rigorous and relevant curriculum. The alignment of CTE programs to meet the needs of local, regional and state labor markets through this collaboration is also important for improving on-time graduation rates, higher career earnings and decreasing dropout percentages, while also offering more dual credit opportunities.

## **Preparing, Attracting and Retaining Qualified Educators**

A quality education for Alaska's students is directly related to the level of effectiveness of Alaska's educators. ACSA strongly encourages the development of comprehensive statewide programs to prepare, attract and retain high quality educators and professionals, especially in the areas of Special Education, STEM and Leadership. ACSA further advocates for support to enhance existing professional learning programs for all educators to improve their practice to meet the individual needs of all students. We believe that with strong new teacher mentoring and professional learning opportunities for current educators and a comprehensive recruitment effort through K-12, Alaska Teacher Placement and the University of Alaska, we can meet the growing demands for more high quality educators in our state.

Alaska needs innovative, alternative pathways to attract teaching and leadership talent to the education profession and address unique circumstances. Statewide teacher mentoring and administrative coaching is needed. This must include development of an Education Career Pathway for our current students to explore within the K-12 system. Also, alternative qualifications, retire/rehire provisions, teacher retirement incentives, and an examination of the current retirement system must be considered.

## **Every Student Succeeds Act (ESSA) - State**

Support the Department of Education and Early Development to redefine the state accountability system while ensuring that local control is honored. The new accountability system, should provide stakeholders with multiple indicators to accurately and effectively monitor student, school and district performance, focusing on improving student learning and achievement through critical thinking and problem solving, while providing stakeholders information to improve quality educational opportunities. The system should ensure the statewide assessment is one of several valuable indicators of success. We support an assessment that meets federal requirements and student learning needs.



#### Other State Issues; Workman's Comp, PERS/TRS:

- The state should continue efforts to control the cost of Worker's Compensation claims, including adoption of medical treatment guidelines, improved management of claims and an improved Reemployment Benefits process.
- We strongly oppose efforts to shift PERS and TRS costs from the state to employers. Policy for termination studies and "below the floor" charges should be reexamined. These cost shifts are "back door" cuts to school district budgets.
- We encourage solutions to the escalating costs of health insurance in the state, including exploring the viability of multiple options such as a possible state health care authority, revision of the 80th percentile rule and appropriate controls of the cost of medivacs.
- We strongly encourage action to ensure that quality mental health services are available to support all of our schools.
- We support continued collaboration with the State Board of Education and Early Development's efforts to move forward with the Alaska Education Challenge.

### JPS Federal Issues 2017-2018

#### Forest Receipts (Safe and Secure Rural Schools Act)

- ACSA strongly endorses the continuation of the 100-plus year partnership that was created between the federal government and communities to compensate communities financially impacted by the placement of timber reserves into federal ownership.
- We desire a long term solution that will allow all aspects of what constitutes responsible forest management while comprehensively renewing the forest products industry in the impacted areas. We request that funding be provided to impacted communities during the interim while a new revenue stream is being established.
- SRSCSDA payments have not been received by districts since FY2015 yet these resources remain critically important to 24 of Alaska's 54 school districts. If not reauthorized, Alaska will lose over \$10 million in revenues mostly tied to education. Since there is a year lag time in receiving these funds for most districts, a reduction in funding of this magnitude will create hardships on students that are both significant and unforeseen.

#### ESSA

- We encourage the United States Department of Education to fulfill the bipartisan intention of ESSA by honoring local control and avoiding federal overreach while developing and implementing ESSA. To those ends, we request that USED allow more time for states and districts to develop their plans and provide a one-year review.
- We encourage legislators to eliminate discretionary funding caps, to allow adequate investment in education. We ask that the department stick to the intent of the law and not attempt to create regulations that "fix" problems not addressed in legislation, such as the "supplement, not supplant restrictions", and the insistence by USED to require that a school's performance be defined by a single designation.
- We encourage Congress to fully fund the education programs authorized by the Elementary and Secondary Education Act, so as to fulfill the funding levels authorized by the bipartisan Every Student Succeeds Act.

#### Affordable Care Act

We support and encourage modifications to the Affordable Care Act (ACA) "Cadillac Tax" and how it applies to Alaska. The cost of even basic health care plans in Alaska are high; yet, due to the cost of medical services in Alaska they are categorized within the existing thresholds of the Cadillac Tax which are determined at the federal level. The current calculation unfairly penalizes Alaskan employers for factors beyond their control. Solutions may include a geographic differential or other mechanism to recognize Alaska's unique cost structure.

We support exploration of various mechanisms to decrease healthcare costs by such measures as allowing employers to purchase health insurance policies across state lines.

#### Other Federal Issues

- We oppose use of public money to fund private education through vouchers or other mechanisms.
- We support full funding of E-Rate and Impact Aid, with no significant program changes needed.



Dr. Lisa Skiles Parady  
Executive Director, ACSA/ASA/AASSP  
234 Gold St  
Juneau, AK 99801  
Phone 907-586-9702  
lparady@alaskaacsas.org



Amy Lujan  
Executive Director, ALASBO  
3145 Pioneer Avenue  
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Phone 907-723-7416  
alasebo@gci.net



John Pile  
Executive Director, AAESP  
2615 Lisa Ann Drive  
North Pole, AK 99705  
Phone 907-378-1670  
aaesp@gci.net

## HB 287 (2018) SFIN files



# SENATE FINANCE COMMITTEE REPORT

DATE: 2/9/18

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Finance Committee considered HOUSE BILL NO. 287(brf sup maj fld)

HB 287-APPROP: PUPIL TRANSPORTATION; EDUCATION

"An Act making appropriations for public education and transportation of students; and providing for an effective date."

and recommends:

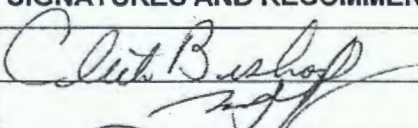
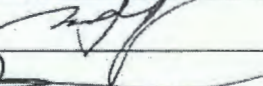
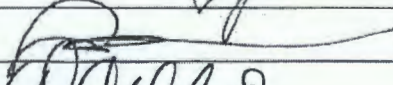
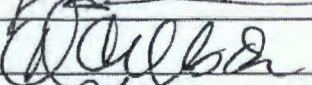
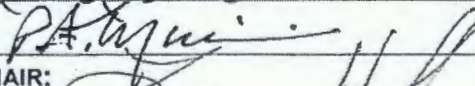
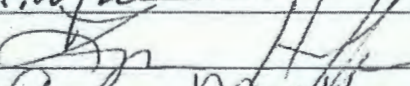
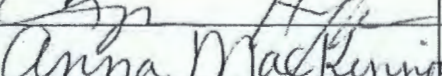
- ☒ be replaced with SCS HB 287 ( FIN ) ☒ Same Title ☐ Technical Title Change  
☐ New Title/SCR No. \_\_\_\_\_
- ☐ adopt previous SCS \_\_\_\_\_ ( \_\_\_\_\_ ) ☐ Same Title ☐ Technical Title Change  
☐ New Title/SCR No. \_\_\_\_\_
- ☐ attached amendment(s)
- ☐ adopt \_\_\_\_\_ Letter of Intent
- ☐ further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

☒ APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Bishop	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	VanInhof	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	STEVENS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	OLSON	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	MICCICHE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR: 	Hoffman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CO-CHAIR: 	MacKinnon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**SENATE CS FOR HOUSE BILL NO. 287(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 4/13/18**

**Referred: Today's Calendar**

**Sponsor(s): REPRESENTATIVES SEATON, Parish, Grenn, Drummond, Ortiz, Tuck, Kreiss-Tomkins, Edgmon, Kawasaki, Josephson, Spohnholz, Gara, Foster, Guttentberg, Stutes, LeDoux, Claman, Kito, Wool, Tarr, Fansler, Lincoln**

**SENATORS Begich, Wielechowski**

**A BILL**

**FOR AN ACT ENTITLED**

- 1 **"An Act making appropriations for public education and transportation of students;**  
2 **and providing for an effective date."**

- 3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

- 4 **(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)**

1    **\* Section 1.** The following appropriation items are for operating expenditures from the  
 2    general fund or other funds as set out in section 2 of this Act to the agencies named for the  
 3    purposes expressed for the fiscal year beginning July 1, 2018 and ending June 30, 2019,  
 4    unless otherwise indicated.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
7	*****	*****		
8	***** Department of Education and Early Development *****			
9	*****	*****		
10	<b>K-12 Aid to School Districts</b>	<b>26,128,400</b>		<b>26,128,400</b>
11	Foundation Program	26,128,400		
12	<b>K-12 Support</b>	<b>12,111,400</b>	<b>12,111,400</b>	
13	Boarding Home Grants	7,453,200		
14	Youth in Detention	1,100,000		
15	Special Schools	3,558,200		
16	<b>Mt. Edgecumbe Boarding School</b>	<b>12,863,300</b>	<b>307,400</b>	<b>12,555,900</b>
17	Mt. Edgecumbe Boarding	11,420,600		
18	School			
19	Mount Edgecumbe Boarding	1,442,700		
20	School Facilities			
21	Maintenance			

22                    (SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

1    \* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of  
2    this Act.

3    Funding Source	Amount
4 <b>Department of Education and Early Development</b>	
5      1002   Federal Receipts	250,000
6      1004   Unrestricted General Fund Receipts	12,111,400
7      1005   General Fund/Program Receipts	307,400
8      1007   Interagency Receipts	7,473,300
9      1043   Federal Impact Aid for K-12 Schools	20,791,000
10     1066   Public School Trust Fund	10,000,000
11     1108   Statutory Designated Program Receipts	170,000
12     *** Total Agency Funding ***	51,103,100
13     * * * * * <b>Total Budget</b> * * * * *	<b>51,103,100</b>

14                    **(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)**

1	* <b>Sec. 3.</b> The following sets out the statewide funding for the appropriations made in sec. 1 of	
2	this Act.	
3	Funding Source	Amount
4	<b>Unrestricted General</b>	
5	1004 Unrestricted General Fund Receipts	12,111,400
6	*** Total Unrestricted General ***	12,111,400
7	<b>Designated General</b>	
8	1005 General Fund/Program Receipts	307,400
9	*** Total Designated General ***	307,400
10	<b>Other Non-Duplicated</b>	
11	1066 Public School Trust Fund	10,000,000
12	1108 Statutory Designated Program Receipts	170,000
13	*** Total Other Non-Duplicated ***	10,170,000
14	<b>Federal Receipts</b>	
15	1002 Federal Receipts	250,000
16	1043 Federal Impact Aid for K-12 Schools	20,791,000
17	*** Total Federal Receipts ***	21,041,000
18	<b>Other Duplicated</b>	
19	1007 Interagency Receipts	7,473,300
20	*** Total Other Duplicated ***	7,473,300
21	(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)	



1     \* **Sec. 4. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT.** The sum of  
2     \$30,000,000 is appropriated from the general fund to the Department of Education and Early  
3     Development to be distributed as grants to school districts according to the average daily  
4     membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the fiscal year  
5     ending June 30, 2020.

6     \* **Sec. 5. FUND CAPITALIZATION.** (a) The amount necessary to fund the total amount for  
7     the fiscal year ending June 30, 2019, of state aid calculated under the public school funding  
8     formula under AS 14.17.410(b), estimated to be \$1,189,677,400, is appropriated from the  
9     general fund to the public education fund (AS 14.17.300).

10       (b) The amount necessary, estimated to be \$78,184,600, to fund transportation of  
11     students under AS 14.09.010 for the fiscal year ending June 30, 2019, is appropriated from the  
12     general fund to the public education fund (AS 14.17.300).

13       (c) The amount necessary to fund the total amount for the fiscal year ending June 30,  
14     2020, of state aid calculated under the public school funding formula under AS 14.17.410(b)  
15     is appropriated from the general fund to the public education fund (AS 14.17.300).

16       (d) The amount necessary to fund transportation of students under AS 14.09.010 for  
17     the fiscal year ending June 30, 2020, is appropriated from the general fund to the public  
18     education fund (AS 14.17.300).

19     \* **Sec. 6. LAPSE.** The appropriations made in sec. 5 of this Act are for the capitalization of a  
20     fund and do not lapse.

21     \* **Sec. 7. CONTINGENCY.** The appropriations made in secs. 4 and 5(c) and (d) of this Act  
22     are contingent on passage by the Thirtieth Alaska State Legislature and enactment into law of  
23     a version of Senate Bill 26.

24     \* **Sec. 8.** Sections 4 and 5(c) and (d) of this Act take effect July 1, 2019.

25     \* **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2018.

30-LS1229\T  
Wallace  
4/13/18

adopted 4.13.18

**SENATE CS FOR HOUSE BILL NO. 287(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES SEATON, Parish, Grenn, Drummond, Ortiz, Tuck, Kreiss-Tomkins, Edgmon, Kawasaki, Josephson, Spohnholz, Gara, Foster, Guttenberg, Stutes, LeDoux, Claman, Kito, Wool, Tarr, Fansler, Lincoln**

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3     Development to be distributed as grants to school districts according to the average daily  
4     membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the fiscal year  
5     ending June 30, 2020.

6     \* **Sec. 5. FUND CAPITALIZATION.** (a) The amount necessary to fund the total amount for  
7     the fiscal year ending June 30, 2019, of state aid calculated under the public school funding  
8     formula under AS 14.17.410(b), estimated to be \$1,189,677,400, is appropriated from the  
9     general fund to the public education fund (AS 14.17.300).

10     (b) The amount necessary, estimated to be \$78,184,600, to fund transportation of  
11     students under AS 14.09.010 for the fiscal year ending June 30, 2019, is appropriated from the  
12     general fund to the public education fund (AS 14.17.300).

13     (c) The amount necessary to fund the total amount for the fiscal year ending June 30,  
14     2020, of state aid calculated under the public school funding formula under AS 14.17.410(b)  
15     is appropriated from the general fund to the public education fund (AS 14.17.300).

16     (d) The amount necessary to fund transportation of students under AS 14.09.010 for  
17     the fiscal year ending June 30, 2020, is appropriated from the general fund to the public  
18     education fund (AS 14.17.300).

19     \* **Sec. 6. LAPSE.** The appropriations made in sec. 5 of this Act are for the capitalization of a  
20     fund and do not lapse.

21     \* **Sec. 7. CONTINGENCY.** The appropriations made in secs. 4 and 5(c) and (d) of this Act  
22     are contingent on passage by the Thirtieth Alaska State Legislature and enactment into law of  
23     a version of Senate Bill 26.

24     \* **Sec. 8.** Sections 4 and 5(c) and (d) of this Act take effect July 1, 2019.

25     \* **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2018.

**2018 Legislature - Operating Budget  
Allocation Summary - Senate Structure**

**Numbers and Language**

<b>Allocation</b>	[1] <b>SCS HB 287</b>
<b>Education &amp; Early Dev</b>	
K-12 Aid to School Districts	
Foundation Program	1,215,805.8
Pupil Transportation	78,184.6
<b>Appropriation Total</b>	<b>1,293,990.4</b>
 K-12 Support	
Boarding Home Grants	7,453.2
Youth in Detention	1,100.0
Special Schools	3,558.2
<b>Appropriation Total</b>	<b>12,111.4</b>
 Mt. Edgecumbe Boarding School	
Mt. Edgecumbe Boarding School	11,420.6
MEHS Facilities Maintenance	1,442.7
<b>Appropriation Total</b>	<b>12,863.3</b>
 <b>Agency Total</b>	<b>1,318,965.1</b>
 <b>Fund Capitalization</b>	
Fund Caps (no approp out)	
Public Education Fund (FY17)	0.0
<b>Appropriation Total</b>	<b>0.0</b>
 <b>Agency Total</b>	<b>0.0</b>
 <b>Statewide Total</b>	<b>1,318,965.1</b>
 <b>Funding Summary</b>	
Unrestricted General (UGF)	1,279,973.4
Designated General (DGF)	307.4
Other State Funds (Other)	17,643.3
Federal Receipts (Fed)	21,041.0

WORK DRAFT

WORK DRAFT

WORK DRAFT

30-LS1229R  
Wallace  
3/23/18

*adopted 4/5/18*

**SENATE CS FOR HOUSE BILL NO. 287(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES SEATON, Parish, Grenn, Drummond, Ortiz, Tuck, Kreiss-Tomkins, Edgmon, Kawasaki, Josephson, Spohnholz, Gara, Foster, Guttenberg, Stutes, LeDoux, Claman, Kito, Wool, Tarr, Fansler, Lincoln**

**SENATORS Begich, Wielechowski**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act making appropriations for public education and transportation of students;**  
2 **making other appropriations; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)**



1    **\* Section 1.** The following appropriation items are for operating expenditures from the  
 2    general fund or other funds as set out in section 2 of this Act to the agencies named for the  
 3    purposes expressed for the fiscal year beginning July 1, 2018 and ending June 30, 2019,  
 4    unless otherwise indicated.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
	*****	*****		
	***** Department of Education and Early Development *****			
	*****	*****		
10	<b>K-12 Aid to School Districts</b>	<b>26,128,400</b>		<b>26,128,400</b>
11	Foundation Program	26,128,400		
12	<b>K-12 Support</b>	<b>12,111,400</b>	<b>12,111,400</b>	
13	Boarding Home Grants	7,453,200		
14	Youth in Detention	1,100,000		
15	Special Schools	3,558,200		
16	<b>Mt. Edgecumbe Boarding School</b>	<b>12,863,300</b>	<b>307,400</b>	<b>12,555,900</b>
17	Mt. Edgecumbe Boarding	11,420,600		
18	School			
19	Mount Edgecumbe Boarding	1,442,700		
20	School Facilities			
21	Maintenance			
22	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)			

1   \* Sec. 2. The following sets out the funding by agency for the appropriations made in sec. 1 of  
2   this Act.

3   Funding Source	Amount
4 <b>Department of Education and Early Development</b>	
5   1002   Federal Receipts	250,000
6   1004   Unrestricted General Fund Receipts	12,111,400
7   1005   General Fund/Program Receipts	307,400
8   1007   Interagency Receipts	7,473,300
9   1043   Federal Impact Aid for K-12 Schools	20,791,000
10   1066   Public School Trust Fund	10,000,000
11   1108   Statutory Designated Program Receipts	170,000
12   *** Total Agency Funding ***	51,103,100
13   ***** Total Budget *****	51,103,100

14                   (SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

1	* Sec. 3. The following sets out the statewide funding for the appropriations made in sec. 1 of	
2	this Act.	
3	Funding Source	Amount
4	<b>Unrestricted General</b>	
5	1004 Unrestricted General Fund Receipts	12,111,400
6	*** Total Unrestricted General ***	12,111,400
7	<b>Designated General</b>	
8	1005 General Fund/Program Receipts	307,400
9	*** Total Designated General ***	307,400
10	<b>Other Non-Duplicated</b>	
11	1066 Public School Trust Fund	10,000,000
12	1108 Statutory Designated Program Receipts	170,000
13	*** Total Other Non-Duplicated ***	10,170,000
14	<b>Federal Receipts</b>	
15	1002 Federal Receipts	250,000
16	1043 Federal Impact Aid for K-12 Schools	20,791,000
17	*** Total Federal Receipts ***	21,041,000
18	<b>Other Duplicated</b>	
19	1007 Interagency Receipts	7,473,300
20	*** Total Other Duplicated ***	7,473,300
21	(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)	

1     \* **Sec. 4. LEGISLATIVE INTENT.** (a) It is the intent of the legislature that the Department  
2 of Revenue use the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska),  
3 as authorized by the legislature and as necessary for general cash flow needs, to allow the  
4 Alaska Permanent Fund Corporation to maximize investment management results while  
5 making transfers from the earnings reserve account (AS 37.13.145) to the general fund for the  
6 fiscal years ending June 30, 2018, and June 30, 2019.

7           (b) It is the intent of the legislature that the Department of Revenue and the Alaska  
8 Permanent Fund Corporation work together to schedule the timing of payments from the  
9 earnings reserve account (AS 37.13.145) to the general fund for the fiscal years ending  
10 June 30, 2018, and June 30, 2019.

11     \* **Sec. 5. ALASKA PERMANENT FUND.** The sum of \$1,792,646,119 is appropriated  
12 from the earnings reserve account (AS 37.13.145) to the general fund, which is equal to 5.25  
13 percent of the average market value of the Alaska permanent fund, including the earnings  
14 reserve account established under AS 37.13.145, but not including that portion of the  
15 principal attributed to the settlement of State v. Amerada Hess, et al., 1JU-77-847 Civ.  
16 (Superior Court, First Judicial District), for the fiscal years ending June 30, 2012, June 30,  
17 2013, June 30, 2014, June 30, 2015, and June 30, 2016, less the sum of \$725,950,000, which  
18 was used for the payment of permanent fund dividends and administrative and associated  
19 costs for the fiscal year ending June 30, 2018.

20     \* **Sec. 6. FUND CAPITALIZATION.** (a) The amount necessary to fund the total amount for  
21 the fiscal year ending June 30, 2019, of state aid calculated under the public school funding  
22 formula under AS 14.17.410(b), estimated to be \$1,189,677,400, is appropriated from the  
23 general fund to the public education fund (AS 14.17.300).

24           (b) The amount necessary, estimated to be \$78,184,600, to fund transportation of  
25 students under AS 14.09.010 for the fiscal year ending June 30, 2019, is appropriated from the  
26 general fund to the public education fund (AS 14.17.300).

27           (c) The amount necessary to fund the total amount for the fiscal year ending June 30,  
28 2020, of state aid calculated under the public school funding formula under AS 14.17.410(b)  
29 is appropriated from the general fund to the public education fund (AS 14.17.300).

30           (d) The amount necessary to fund transportation of students under AS 14.09.010 for  
31 the fiscal year ending June 30, 2020, is appropriated from the general fund to the public



1 education fund (AS 14.17.300).

2 \* **Sec. 7. LAPSE.** The appropriations made in sec. 6 of this Act are for the capitalization of a  
3 fund and do not lapse.

4 \* **Sec. 8. CONTINGENCY.** The appropriations made in secs. 6(c) and (d) of this Act are  
5 contingent on passage by the Thirtieth Alaska State Legislature and enactment into law of a  
6 version of Senate Bill 26 that calculates the amount available for distribution from the  
7 earnings of the Alaska permanent fund based on an average percentage of market value of the  
8 Alaska permanent fund and establishes a percentage for distribution to the general fund and  
9 for payment of permanent fund dividends.

10 \* **Sec. 9.** Section 5 of this Act takes effect June 30, 2018.

11 \* **Sec. 10.** Sections 6(c) and (d) of this Act take effect July 1, 2019.

12 \* **Sec. 11.** Except as provided in secs. 9 and 10 of this Act, this Act takes effect July 1,  
13 2018.

Introduced by: Cooper, Smalley  
Date: 02/06/18  
Action: Postponed as Amended  
to 02/20/18  
Vote: 8 Yes, 0 No, 1 Absent  
Date: 02/20/18  
Action: Adopted as Amended  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2018-008**

**A RESOLUTION SUPPORTING HOUSE BILL 287 PROVIDING EARLY APPROVAL  
OF FUNDING FOR PUBLIC EDUCATION AND STUDENT TRANSPORTATION**

**WHEREAS,** public school districts in Alaska rely on the state to fund education each year; and

**WHEREAS,** the school district needs to finalize its budget by April 30<sup>th</sup> to provide time for taking appropriate personnel actions and other measures to prepare for the next school year; and

**WHEREAS,** in 2017, the legislature approved the state budget July 1st; and

**WHEREAS,** this delay resulted in a great deal of uncertainty and difficulty for school district personnel retention and hiring processes and budgetary planning; and

**WHEREAS,** House Bill 287 would appropriate funds for public education and transportation of students but passed the House Finance Committee without a funding source; and

**WHEREAS,** according to one of the sponsors, Representative Paul Seaton, the intent of House Bill 287 is to make early funding available for school districts and regional education attendance areas; and

**WHEREAS,** if the legislature approves funding for education in March or April, this would better enable the school district to retain quality staff and provide time for the district to recruit more quality staff during the spring when the most candidates are available;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI  
PENINSULA BOROUGH:**

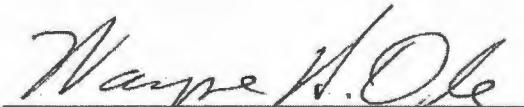
**SECTION 1.** The borough assembly strongly supports the early approval of House Bill 287 which appropriates funds for public education and transportation of students.

**SECTION 2.** The borough assembly urges the Senate to identify a funding source and pass HB 287.

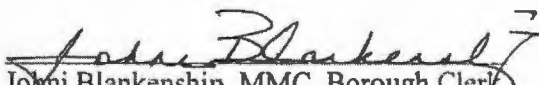
**SECTION 3.** That copies of this resolution shall be provided to Governor Bill Walker, Senator Peter Micciche, Senator Gary Stevens, Representative Mike Chenault, Representative Gary Knopp, Representative Paul Seaton and Representative Louise Stutes.

**SECTION 4.** That this resolution takes effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 20TH DAY OF FEBRUARY, 2018.**

  
Wayne H. Ogle, Assembly President

ATTEST:

  
Johni Blankenship, MMC, Borough Clerk



Vote on motion to postpone to 02/20/18:

Yes: Bagley, Blakeley, Carpenter, Cooper, Fischer, Hibbert, Smalley, Ogle  
No: None  
Absent: Dunne

Vote on motion to adopt as amended:

Yes: Bagley, Blakeley, Carpenter, Cooper, Dunne, Fischer, Hibbert, Smalley, Ogle  
No: None  
Absent: None

# HB 287

## Pupil Transportation and Education

### An Early and Stand-alone Appropriation Bill

---

SENATE FINANCE PRESENTATION – FEBRUARY 23, 2018



# HB 287 - Comparison

## HB 287 – As introduced

**Section 1** – Appropriates \$50,853,100 for Foundation Program, Boarding Home Grants, Youth in Detention, Special Schools, and Mt. Edgecumbe Boarding school.

**Section 2** – Sets out funding by agency.

**Section 3** – Sets out funding for appropriations in Section 1.

**Section 4** – Appropriates \$1.2 billion of CBR to the public education fund. Appropriates an estimated \$67.8 million from the SBR for student transportation.

## HB 287 – As passed by the house

**Section 1** – Unchanged

**Section 2** – Unchanged

**Section 3** – Unchanged

**Section 4** – \$1.2 billion of CBR funding is removed from the bill.

Without the CBR funding, the “estimated to be” of SBR funding now needed for student transportation is \$78.2 million.

# HB 287-Intent of the bill

- Stand-alone education appropriations bill.
- Allow school districts to know their level of state aid in advance of passage of the state operating budget.
- Avoid unnecessary teacher layoff notices.
- Same level of funding as the Governor's request.
- Use \$1.2 billion from CBR and about \$67.8 million from SBR.

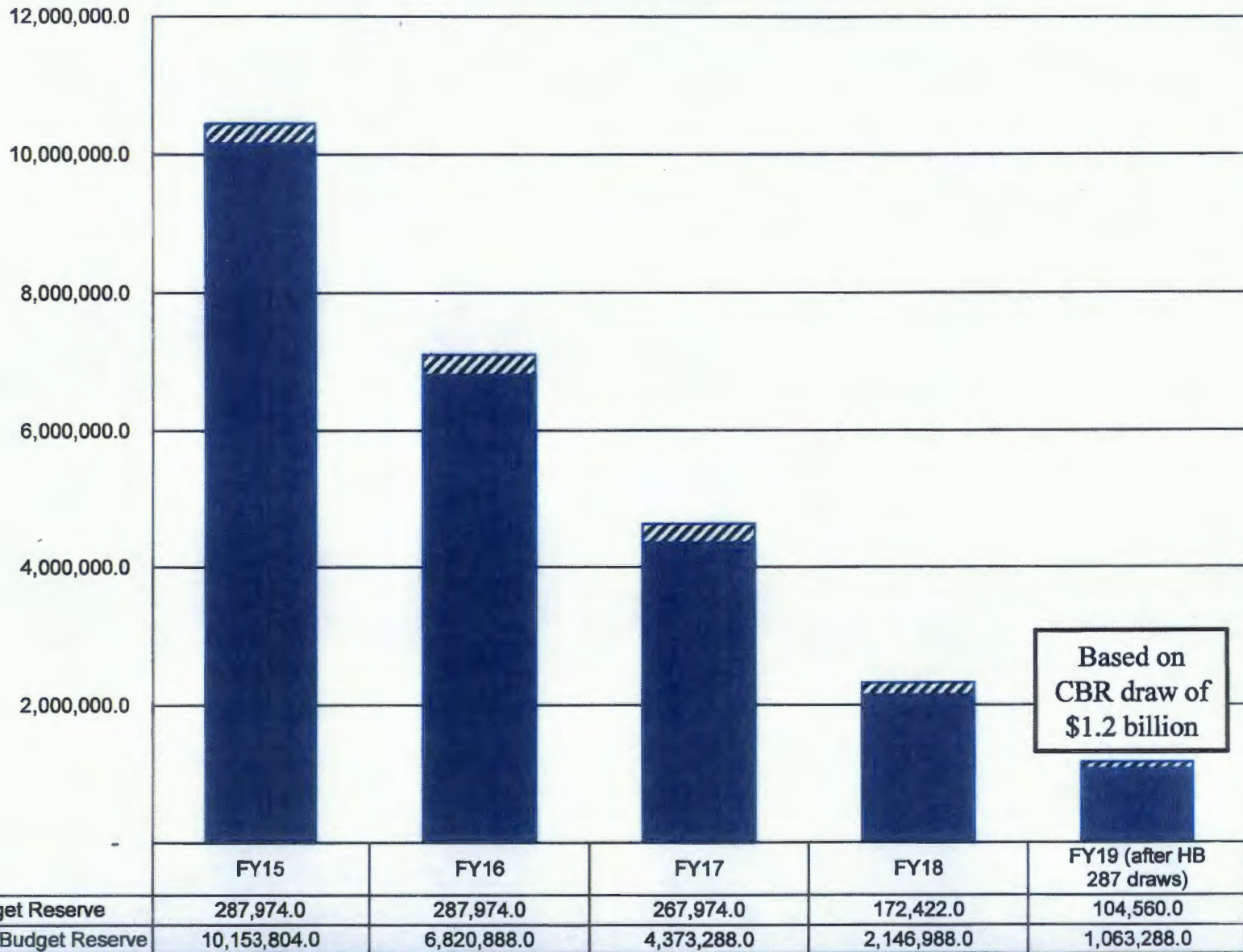


## K-12 Funding History - All Funds (FY15-19)



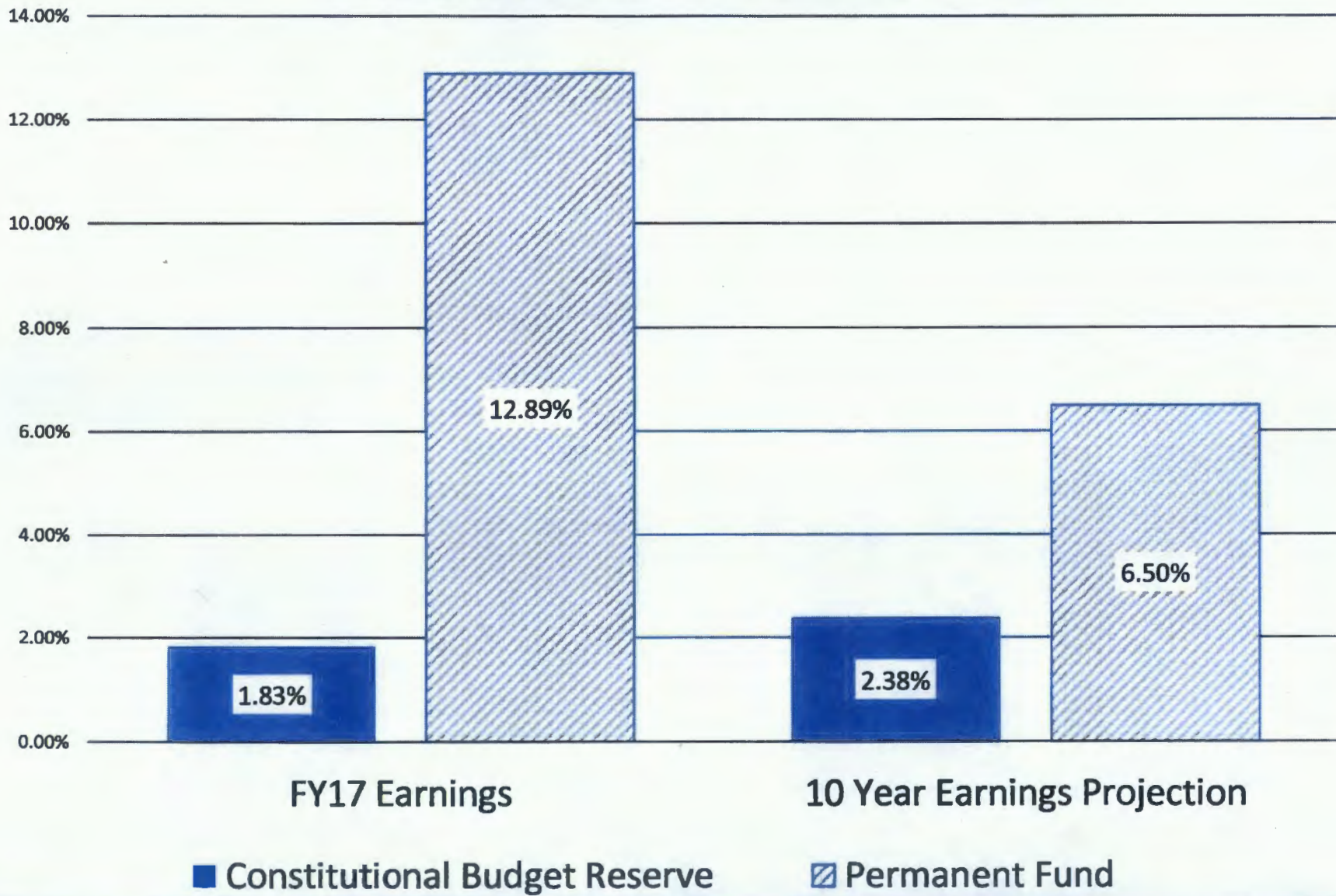
	15FnlBud	16FnlBud	17FnlBud	18MgtPn	19Gov	HB 287 as introduced	HB 287 as passed House
■ Mount Edgecumbe Boarding School Facilities Maintenance	-	-	-	-	1,192.7	1,192.7	1,192.7
■ Mt. Edgecumbe Boarding School	10,927.0	10,808.3	10,833.3	11,014.0	11,420.6	11,420.6	11,420.6
■ Special Schools	3,693.3	3,582.4	3,532.4	3,563.9	3,558.2	3,558.2	3,558.2
■ Youth in Detention	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0
■ Boarding Home Grants	6,960.3	7,696.4	7,553.2	7,453.2	7,453.2	7,453.2	7,453.2
■ Additional Foundation Funding	42,953.5	-	-	-	-	-	-
■ Pupil Transportation	76,773.9	79,240.3	72,619.8	79,029.6	78,184.6	78,184.6	78,184.6
■ Foundation Program	1,198,664.3	1,215,262.7	1,228,382.9	1,217,257.6	1,215,805.8	1,215,805.8	26,128.4

## End-of-Year Savings Balances - FY15-19

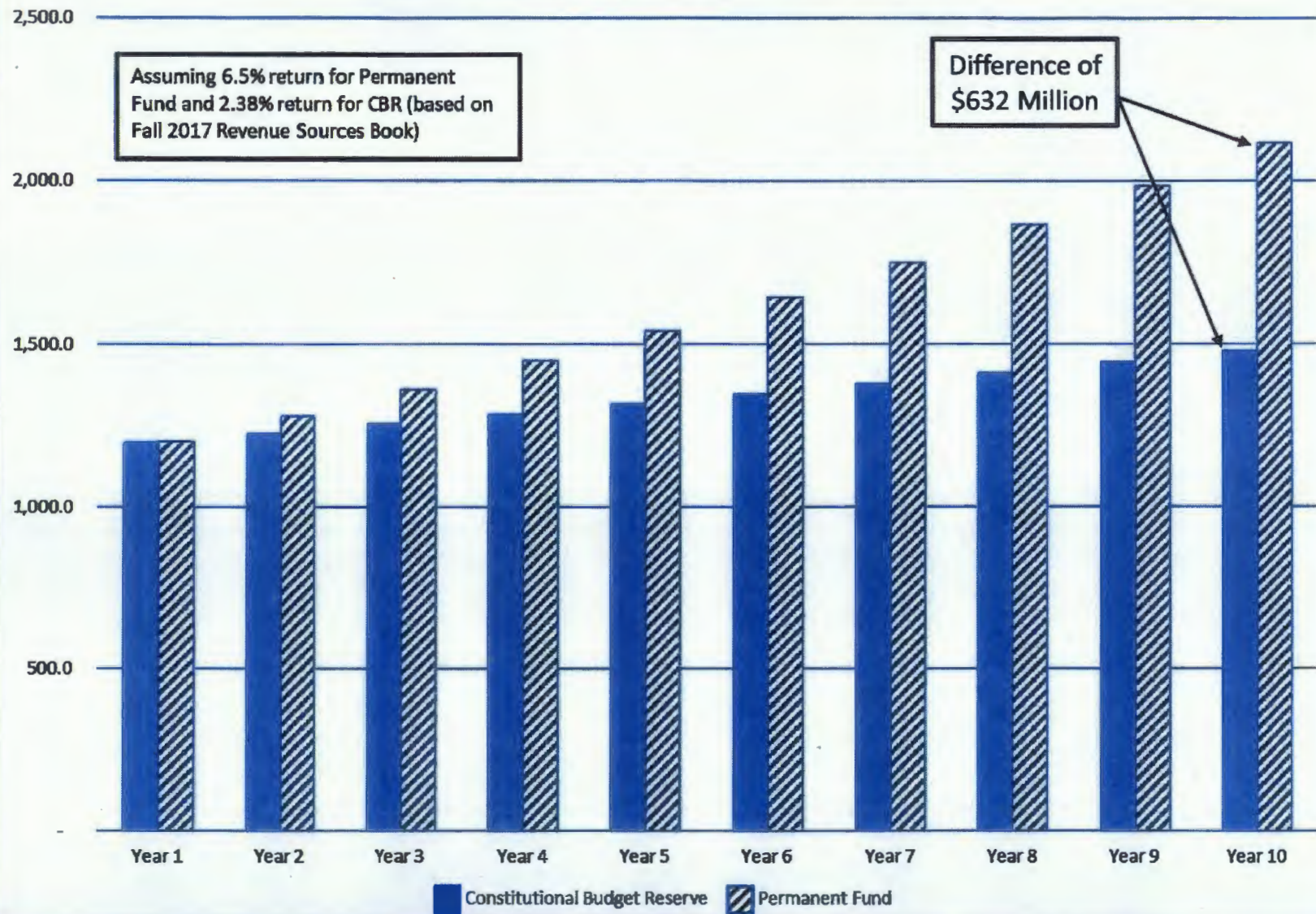




## Earnings Comparisons - CBR and Permanent Fund



### Effect of Earnings Rate on \$1.2 Billion





Education is one of the highest priority programs for the state and educators are shaping future generations.

HB 287 reflects the importance of education to our state.

# Alaska State Legislature

120 4<sup>th</sup> Street  
State Capitol Room 505  
Juneau, Alaska 99801-1182  
(907) 465-2689  
1-800-665-2689



270 W. Pioneer Ave. Suite B  
Homer, Alaska 99603  
(907) 235-2921  
(907) 283-9170  
Fax: (907) 235-4008

**REPRESENTATIVE PAUL SEATON**  
Rep.Paul.Seaton@akleg.gov

## **Sponsor Statement** **HB 287 (brf sup maj fld)**

**"An Act making appropriations for public education and transportation of students; and providing for an effective date."**

School districts rely on state and other funds for education funding every year. HB 287 appropriates \$50.8 million from various fund sources for K-12 Aid to School Districts, Boarding Home Grants, Youth in Detention, Special Schools, and for Mt. Edgecumbe Boarding School. The bill also appropriates an estimated \$67.8 million from the Statutory Budget Reserve fund (SBR) for Student Transportation.

The original intent of the bill was to appropriate an additional \$1.2 billion from the Constitutional Budget Reserve (CBR) fund to cover the remaining amount needed to fund K-12 Aid to School Districts and Student Transportation at the same level as requested by the Governor. The use of the CBR requires a  $\frac{3}{4}$  vote of the House. Since the  $\frac{3}{4}$  vote failed, the use of the CBR was removed from the bill. The funding source for K-12 Aid to School Districts and a portion of Student Transportation can be added back to the bill.

The bill is intended to pass separately from the regular operating budget and early in the session to enable school districts to avoid mandatory teacher layoff notices. Many lawmakers agree that education funding cannot withstand further cuts without negatively affecting Alaskan children. An early, separate appropriation for education that has existing funding identified would prevent these problems and will allow school districts to finalize their budgets on time.



Even after the budget has passed the legislature, line item veto or veto reductions can be made by the Governor. In 2015, the Legislature needed to come back in special session to pass a second operating budget that included education funding. In 2016, the state operating budget was passed by the legislature on May 31. Last session, the state operating budget did not pass the Legislature until June 22 and signed by the Governor on July 1. All this uncertainty for the funding amount forces school districts to draft multiple budgets. The Anchorage School District is required to submit their budget to the Municipality by the first Monday in March. Anticipating low amounts requires districts to give termination notices (pink slips) to tenured teachers by May 15 and non-tenured teachers by the last day of school.

Education is one of the highest priority programs for the state, and educators are shaping future generations. HB 287 reflects the importance of education to our state.

# Alaska State Legislature

120 4<sup>th</sup> Street  
State Capitol Room 505  
Juneau, Alaska 99801-1182  
(907) 465-2689  
1-800-665-2689



270 W. Pioneer Ave. Suite B  
Homer, Alaska 99603  
(907) 235-2921  
(907) 283-9170  
Fax: (907) 235-4008

**REPRESENTATIVE PAUL SEATON**  
Rep.Paul.Seaton@akleg.gov

## **Summary of Changes** **HB 287 to HB 287(brf sup maj fld)**

**"An Act making appropriations for public education and transportation of students; and providing for an effective date."**

Sections 1, 2, 3, 5, and 6 are unchanged from the original version of the bill. Section 4 no longer contains an appropriation of \$1.2 billion from the Constitutional Budget Reserve (CBR) for K-12 Aid to School Districts and Student Transportation. The following language was removed from the bill:

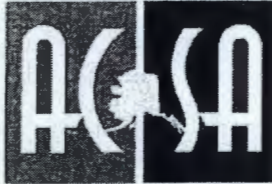
*The sum of \$1,200,000,000 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public education fund (AS 14.17.300). (b) The amount necessary, after the appropriation made in (a) of this section, to fund transportation of students under AS 14.09.010 for the fiscal year ending June 30, 2019, estimated to be \$67,862,000, is appropriated from the budget reserve fund (AS 37.05.540) to the public education fund (AS 14.17.300).*

Since the CBR funding is no longer in the bill, the estimated amount of Statutory Budget Reserve (SBR) funds needed for Student Transportation has increased from \$67.8 million to \$78.2 million.

The bill's effective date of July 1, 2018 is unchanged.

234 Gold Street  
Juneau, Alaska 99801

ALASKA COUNCIL



OF SCHOOL ADMINISTRATORS

January 23, 2018

Chairman Paul Seaton  
House Finance Committee  
State Capitol Rm 505  
Juneau AK 99801

Dear Chairman Seaton:

The Alaska Council of School Administrators (ACSA) supports HB287, "An Act making appropriations for public education and transportation of students; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

Stable, timely funding for education is our highest priority for this session, as noted in our Joint Position Statements - Priority Funding for Education, which reads as follows:

*The State of Alaska must provide timely, reliable, and predictable revenue for schools, funding the true cost of an adequate education in all districts and providing full funding for all initiatives, laws and mandates that require additional services. Early notification of funding is crucial to sound financial management, as well as recruitment and retention of quality educators.*

Education was previously funded on a forward basis, enabling school boards to finalize district budgets in March. This was well before the required date for notice to teachers of layoff or non-retention of May 15 (AS 14.20.140). Without forward funding, school districts must try to finalize their budgets by the end of April, but have substantial uncertainty as to what that funding might eventually be.

The result, as seen last year when the operating budget did not pass the Legislature until July 1, is to force many school districts to issue layoff notices. By recapitalizing the Public Education Fund (i.e. forward funding), HB287 will prevent this from happening. Please let me know how else we might support your efforts, and thanks!

Cordially,

*Deanna Beck*

Deanna Beck  
ACSA President / AASSP President

*Lisa Skiles Parady*

Lisa Skiles Parady, JD, EdD  
ACSA Executive Director





## Anchorage School District

### Education Center

5530 E. Northern Lights Blvd. • Anchorage, AK 99504 • 907-742-4000 • [www.asdk12.org](http://www.asdk12.org)

January 25, 2018

Rep. Paul Seaton  
Co-Chair, House Finance Committee  
State Capitol Room 505  
Juneau, Alaska 99801

As superintendent of Anchorage School District, I would like to offer my support for HB 287 to provide known funding for education early in the legislative session as a separate appropriation.

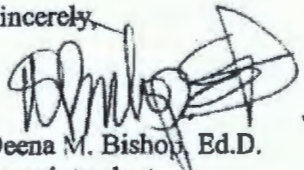
Early funding will help to avoid unnecessary layoff notices going out to our teachers. As you stated, the statutory deadline for teacher layoff notices to go out is the May 15 for tenured teachers and the last day of school for non-tenured—typically the third week in May for ASD.

During this past legislative session, State budget negotiations went beyond the aforementioned statutory deadlines, funding levels were uncertain, and ASD was forced to issue layoff notices to 223 teachers. Some legislators at the time were calling for a three to five percent cut to K-12 education.

The risk for ASD was too high to avoid issuing the layoffs. Most of the teachers that received layoff notices were recalled, but the loss of morale surrounding the layoffs has been felt all year. The timeline for hiring quality applicants is also directly impacted by late or uncertain funding. If the District cannot issue contracts to these teachers early on, the highest quality applicants tend to find employment in states that are already hiring.

I appreciate your support for public education and would like to reiterate my support for having funding for education appropriated early in the legislative process. This will take the "guessing game" out of our budget process. Please contact me if I may provide additional information.

Sincerely,



Deena M. Bishop, Ed.D.  
Superintendent

*Educating All Students for Success in Life*

Anchorage School Board    Tam Agost-Gisler, President  
Starr Mersett, Vice President    Elisa Snelling, Treasurer  
Kathleen Plunkett, Clerk    Bettye Davis

Dave Donley  
Andy Holleman

Superintendent    Dr. Deena Bishop



# SKAGWAY SCHOOL

P.O. Box 497

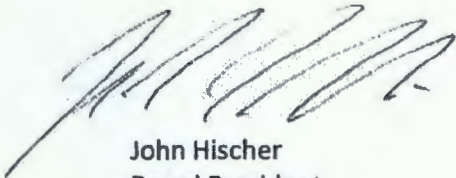
• Skagway, Alaska 99840 •

(907) 983-2960

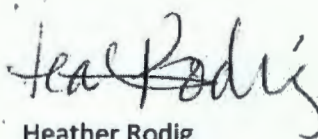
Dear Representative Seaton,

The Skagway School Board takes the duty of being fiscally responsible seriously. The Board's annual goal is to make strategic and responsible budgetary decisions that enhance our students' learning and achievement. The consistent uncertainty of education funding in Alaska has made it extremely difficult to plan and ensure that the district is using education funding in the most effective way possible. This lack of security has a direct impact on student learning due to the difficulty it causes planning the budget for staffing and hiring teachers and other essential staff. We urge you to pass HB 287. By ensuring that state education funding is set by March, you will give the district enough time to guarantee that we are using this money in the most effective way to teach our children. Thank you for all of our hard work on behalf of our state.

Sincerely,  
Skagway School Board.



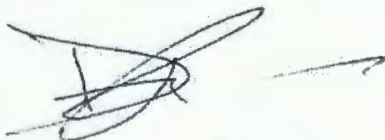
John Hischer  
Board President



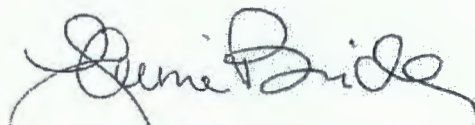
Heather Rodig  
Board Treasurer



Denise Sager  
Board Member



Darren Belisle  
Board Vice President



Jaime Bricker  
Board Clerk



February 1, 2018

Co-Chairs Seaton and Foster, and Members of the House Finance Committee:

My name is Dr. Mary Wegner, and I am the superintendent of the Sitka School District. I am testifying today in support of HB 287, Appropriations Education/Student Transportation.

Thank you for your support of public education in Alaska, and thank you for putting forward an Appropriations bill to support student learning throughout the state. After the last few Legislative sessions where students across the state became pawns in a political chess match, I am thrilled to see HB 287, which is a welcome response and is much appreciated.

We are facing a budget deficit for FY19 that is 12% of our total general fund budget, and we need timely, stable, and adequate state funding to keep our talented teachers and provide a quality education for the students of Sitka. Providing an excellent education to every student every day requires high-caliber teachers combined with a culturally responsive learning environment with targeted instruction to meet a student's individual learning needs. All of which helps us strive to achieve the three commitments of Alaska's Education Challenge, which are increasing student success, cultivating safety and well-being, and supporting responsible and reflective learners.

Given the financial crisis in Alaska and in the community of Sitka, we have made significant cuts to our non-personnel budgets in order to maintain our teaching force. However, we are now at the point where we are looking at the reality of reducing our number of teachers so much so that a conservative estimate has our class sizes increasing by up to a quarter if additional revenue is not available to us. I appreciate HB 287 and know that you are doing everything in your power to help students in public schools around Alaska; however, flat funding still means that we will lose teachers, which will negatively impact student learning. I wanted to keep this awareness present in this conversation.

Thank you for taking my testimony, and thank you for your commitment to public education in Alaska. I hope you will pass HB 287 for funding for public schools and student transportation.

Sincerely,

Mary Wegner, Ed.D.



# NEA-ALASKA

*Reach. Teach. Inspire.*

January 29, 2018

The Honorable Paul Seaton and the Honorable Neal Foster  
Alaska State Representatives  
Co-Chairs, House Finance Committee  
State Capitol Rooms 505 and 410  
Juneau, AK 99801

**RE: House Bill 287**

Dear Co-Chairs Seaton and Foster:

On behalf of 13,000 teachers and education support professionals statewide, I am writing to express NEA-Alaska's support for House Bill 287.

This appropriation is a proactive step by the legislature to give confidence, predictability, and stability back to our school districts, educators, and communities. This legislation will limit pink slips, reduce the stress placed on educators, and provide districts the ability to develop realistic budgets based on accurate state funding levels.

There is no question that some Alaska educators are leaving the state due to budget uncertainty every year. Alaska started the 2017-2018 school year with 250 vacant teaching positions. Each of these vacancies means lost opportunities for Alaska students, larger class sizes, and less time for one-on-one learning. If the cycle of laying off educators at the end of every school year continues, these vacancies will only rise as our best and brightest leave the profession, and the state, for more stable careers.

Under HB 287 districts will be empowered to make early decisions regarding their budgets. This approach lends itself to more transparency, community involvement, and input from all stakeholders. Educators who are impacted by declining budgets will have the certainty they need to make informed decisions about their futures, rather than having to wait until well into the summer to find out whether or not they have jobs in the fall. Having the ability to plan for the future will help to attract and retain the high quality educators our students deserve.

I know from experience that when students have the time to get to know and trust their teacher and the teacher gets to know their students, that's when real learning happens. That trust isn't built overnight, and it's certainly not built by having teachers cycle in and out of our public schools every few years. This is one of the underlying issues that HB 287 addresses and why NEA-Alaska so adamantly supports it.





# NEA-ALASKA

*Reach. Teach. Inspire.*

NEA-Alaska educators are eager to support this legislation because we know it will be good for kids, good for our schools, and good for Alaska families.

Thank you for your consideration of HB 287.

Sincerely,

Tim Parker  
President, NEA-Alaska



SOUTHWEST REGION SCHOOL BOARD

RESOLUTION NO. 18-02

A RESOLUTION SUPPORTING THE EARLY FUNDING OF PUBLIC EDUCATION DURING THE LEGISLATIVE PROCESS

WHEREAS, the Constitution for the State of Alaska directs that "the legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions"; and

WHEREAS, each of the local public school districts are responsible for approving and adopting an annual budget that meets State Department of Education and Early Development financial reporting guidelines; and

WHEREAS, the budgeting process requires adequate time over a several month period to ensure that the public and various stakeholders, including municipalities, borough, and local school district boards of education, provide input and adopt the budget; and

WHEREAS, hiring qualified and excellent staff is a major key to meeting the needs of students and ensuring that the goals of Alaska's Education Challenge are met; and

WHEREAS, there is a state and national shortage of individuals who are pursuing careers in the teaching profession; and

WHEREAS, schools and districts must be able to begin the recruiting and hiring process for teachers early in the spring with the guarantee that funding will be available; and

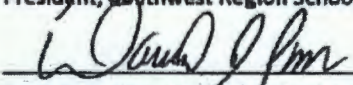
WHEREAS, the legislative financial appropriation for the Alaska Department of Education and Early Development including each of the State's public school districts must be passed before each district can determine the actual number of staff that may be hired.

NOW, THEREFORE, BE IT RESOLVED that the Southwest Region School District urges the Legislature to establish adequate, equitable, sustainable, and predictable revenue for schools early in the legislative session.

PASSED, APPROVED AND ADOPTED BY THE SCHOOL BOARD OF THE SOUTHWEST REGION SCHOOL DISTRICT THIS 28<sup>th</sup> DAY OF NOVEMBER, 2017:

  
\_\_\_\_\_  
President, Southwest Region Schools

11-28-17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Superintendent, Southwest Region Schools

11-28-17  
\_\_\_\_\_  
Date

House Finance Committee Public Testimony  
Thursday, January 25, 2018 9:00AM

Chairs Foster and Seaton, members of the committee, for the record my name is David Piazza, Superintendent of the Southwest Region School District.

As many of you have heard previously, school districts need notice of funding levels as early as possible to help planning efforts for the upcoming school year. Although Southwest Region did not send out pink slips to employees last year, the District did hesitate on making hiring decisions early. This made for a long and drawn out hiring season. Where the District normally has all of its positions filled by June 1<sup>st</sup>, the District had several vacancies including two Principal/Teacher positions into the summer months. While the pool of candidates still contain quality individuals, the number of candidates are very limited, especially the ones that have made up their mind to seek their calling in Alaska.

The District supports measures by the legislature to secure funding early to help public school systems including the department of education as well as local schools to plan effectively and efficiently. The District supports HB 287.

Thank you for your attention in this matter.

**From:** Todd Hindman [<mailto:THindman@KPBSD.k12.ak.us>]  
**Sent:** Thursday, January 25, 2018 8:38 AM  
**To:** Rep. Paul Seaton <[Rep.Paul.Seaton@akleg.gov](mailto:Rep.Paul.Seaton@akleg.gov)>  
**Subject:** HB 287

I wanted to voice my support for HB 287. The reality in Alaska today is that we are not able to hire and retain qualified educators for a variety of reasons including but not limited to salaries in the lower 48 being competitive to the salaries in Alaska, the challenges of teaching in Alaska (especially in rural areas), and our defined contribution retirement system. This has been exacerbated in the past few years due to the delays in funding of the public education system. When districts have to wait late in the hiring system, the best teachers have been hired in the lower 48, greatly reducing the quality of the pool of possible applicants. While, this is only part of the problem, HB 287 is a step in the right direction to address the ability to hire and retain the best educators for our students.

Todd Hindman  
Principal, Fireweed Academy

*The most exciting phrase to hear in science, the one that heralds new discoveries, is not 'Eureka!' (I've found it!), but 'That's funny...' -Isaac Asimov.*

**PHONES:**

Main Office 907-235-9728; Little Fireweed 907-235-5792; FAX 907-235-8561

Big Fireweed (Grades 3-6 at West Homer Elementary)

995 Soundview Ave. Homer, Alaska 99603

Fireweed's main office is in room 214 at West Homer Elementary

Little Fireweed (Kindergarten-2)

813 East End Road Homer, Alaska 99603

Representative Seaton,

The Anchorage School Board has as one of its legislative priorities receiving early notice from the Legislature for education funding. Although our preferred date is March 1st since that is when our budget is due to our local Assembly as per Municipal code, we do support your bill which will help us avoid the pink slip debacle that our teachers and HR department endured last year. This will have a direct impact on our ability to retain quality teachers. Thank you for your support of education.

Sincerely,

Ms. Tam Agosti-Gisler  
President  
Anchorage School Board  
5530 East Northern Lights Blvd.  
Anchorage, AK 99504-3135  
(907) 742-1101 ext. 4



**From:** milli  
**Sent:** Monday, January 22, 2018 8:58 AM  
**To:** Rep. Paul Seaton <Rep.Paul.Seaton@akleg.gov>  
**Subject:** HB 287

Good Morning Paul,

I am thrilled to see this bill. It is something that I know was attempted back in the 1980's, not successfully. It seems education funding is held because it makes a great "negotiation tool for the final budget vote. It should be automatically done early in the session and avoid pink slipping our teachers. Thank you for introducing the bill and I am delighted to see so much support.

Thanks so much Paul,

Milli Martin  
District 31

**From:** Marion K. Nelson

**From:** Marion K. Nelson  
**To:** Rep. Paul Seaton  
**Subject:** HB 287  
**Date:** Monday, January 22, 2018 10:13:08 PM

---

**Representative Seaton....**

**I support:**

**HB 287 - "An Act making appropriations for public education and student transportation". This Bill appropriates funding from the Constitutional Budget Reserve (CBR) and the Statutory Budget Reserve (SBR) to the public education fund for K-12 funding and student transportation. The bill also appropriates funding for Boarding Home Grants, Youth in Detention, Special Schools, and Mt. Edgecumbe Boarding School.**

**Marion K Nelson**

**[REDACTED]**  
**Kenai 99611**

**[REDACTED]**

**From:** Gary Miller  
**To:** Rep. Neal Foster; Rep. Les Gara; Rep. Jason Green; Rep. David Guttenberg; Rep. Scott Kawasaki; Rep. Mark Neuman; Rep. Lance Pruitt; Rep. Paul Seaton; Rep. Steve Thompson; Rep. Cathy Tilton; Rep. Tammie Wilson; Rep. Chris Birch; Rep. Mike Chenault; Rep. Matt Claman; Rep. Harriet Drummond; Rep. David Eastman; Rep. Bryce Edmon; Rep. Zach Fansler; Rep. Delena Johnson; Rep. Jennifer Johnston; Rep. Andy Josephson; Rep. Gary Knopp; Rep. Chuck Knopp; Rep. Jonathan Kreiss-Tomkins; Rep. Gabrielle LeDoux; Rep. Charisse Millett; Rep. George Rauscher; Rep. Lora Reinhold; Rep. Dan Saddler; Rep. Ivy Spohnholz; Rep. Louise Stutes; Rep. Colleen Sullivan-Leonard; Rep. David Talerico; Rep. Geran Tarr; Rep. Chris Tuck; Rep. Adam Wool; Rep. Justin Parish; Rep. Sam Kito  
**Subject:** HB 287: (Appropriations for public education and transportation of student).  
**Date:** Friday, February 2, 2018 9:52:40 AM

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**HB 287: (An Act making Appropriations for public education and transportation of student).**

I support HB 287.

Representative Kito and Parish and other bill sponsors, thank you for sponsoring this bill.

My wife and I adopted our nine-year old grandson. His education is a top priority for us. The local news has been covering the budget shortfalls for the Juneau school district. Our kids are the future of our state and they need the best education they can get.

Schools need to be able to set their budgets early in the legislative session. Teachers need to know there is money in the school budget that class sizes aren't too large and that they will keep their jobs so they can support their families.

Thank you.

Gary Miller

[REDACTED]  
Juneau, AK 99801-8211  
[REDACTED]

**From:** milli [REDACTED]  
**Sent:** Monday, January 22, 2018 8:58 AM  
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Thanks so much Paul,

Milli Martin  
District 31



## Doniece Gott

---

**From:** Sen. Anna MacKinnon  
**Sent:** Monday, February 12, 2018 9:34 AM  
**To:** Senate Finance Committee  
**Subject:** FW: In support of HB287

-----Original Message-----

**From:** Cat Coward [mailto:scatycaty@gmail.com]  
**Sent:** Monday, February 12, 2018 9:29 AM  
**To:** Sen. Anna MacKinnon <Sen.Anna.MacKinnon@akleg.gov>; Sen. Lyman Hoffman <Sen.Lyman.Hoffman@akleg.gov>; Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; Sen. Pete Kelly <Sen.Pete.Kelly@akleg.gov>; Sen. Peter Micciche <Sen.Peter.Micciche@akleg.gov>; Sen. Natasha Von Imhof <Sen.Natasha.VonImhof@akleg.gov>; Sen. Donny Olson <Sen.Donny.Olson@akleg.gov>; Sen. Gary Stevens <Sen.Gary.Stevens@akleg.gov>; Sen. Cathy Giessel <Sen.Cathy.Giessel@akleg.gov>  
**Subject:** In support of HB287

Dear Senator Giessel and members of the Senate Finance Committee,

I am writing in support of HB287, which recently passed the House and is, apparently, soon to be up in the Senate for consideration.

I am the parent of a high school senior, and over the course of his education I have seen the effects of education funding being cut. I have seen class sizes decrease, important teachers and counselors laid off, teachers burned out and fearing yearly lay off, and an overall decrease in the quality of public education because of the above factors. Both pink slips and a fear of pink slips have a huge negative impact on the morale of teachers and other staff, as well as on parents and students. It is neither efficient nor effective to run the business of public education (and it is, in all effects, a business) with uncertain upcoming budgets. It is neither effective nor efficient for local municipalities to be unable to plan how they will support their schools with uncertain upcoming budgets.

I am heartened that HB 287 will provide funding for K-12 in 2018-2019 at the same levels as 2017-2018. Though this still means a cut in education funding due to the increase in annual costs and expenses, it is a least a start.

Please support HB287.

Thank you,  
Catherine Coward  
6221 Farpoint Dr  
Anchorage, AK 99507

## **Doniece Gott**

---

**From:** Sen. Anna MacKinnon  
**Sent:** Wednesday, February 14, 2018 8:16 AM  
**To:** Senate Finance Committee  
**Subject:** FW: HB 287

**From:** Larri Spengler [mailto:[lspengler@ak.net](mailto:lspengler@ak.net)]  
**Sent:** Tuesday, February 13, 2018 6:50 PM  
**Subject:** HB 287

To the Senate Leadership and Finance Committee:

I encourage the swift passage of HB 287. Our youth are our future.

Thank you.

Larri Spengler

Larri Irene Spengler  
4545 Thane Road  
Juneau, Alaska 99801  
907-586-9768 (phone/fax)  
[lspengler@ak.net](mailto:lspengler@ak.net)

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4545 Thane Road  
Juneau, Alaska 99801  
907-586-9768 (phone/fax)  
[lspengler@ak.net](mailto:lspengler@ak.net)



**HOUSE BILL NO. 287(brf sup maj fld)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVES SEATON, Parish, Greenn, Drummond, Ortiz, Tuck, Kreiss-Tomkins, Edgmon, Kawasaki, Josephson, Spohnholz, Gara, Foster, Guttentberg, Stutes, LeDoux, Claman, Kito, Wool, Tarr, Fansler, Lincoln**

**SENATORS Begich, Wielechowski**

**Amended: 2/7/18**

**Introduced: 1/16/18**

**A BILL**  
**FOR AN ACT ENTITLED**

1   **"An Act making appropriations for public education and transportation of students;**  
2   **and providing for an effective date."**

3   **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4                   **(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)**

1 \* Section 1. The following appropriation items are for operating expenditures from the  
 2 general fund or other funds as set out in section 2 of this Act to the agencies named for the  
 3 purposes expressed for the fiscal year beginning July 1, 2018 and ending June 30, 2019,  
 4 unless otherwise indicated.

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
7	*****	*****		
8	***** Department of Education and Early Development *****			
9	*****	*****		
10	<b>K-12 Aid to School Districts</b>	<b>26,128,400</b>		<b>26,128,400</b>
11	Foundation Program	26,128,400		
12	<b>K-12 Support</b>	<b>12,111,400</b>	<b>12,111,400</b>	
13	Boarding Home Grants	7,453,200		
14	Youth in Detention	1,100,000		
15	Special Schools	3,558,200		
16	<b>Mt. Edgecumbe Boarding School</b>	<b>12,613,300</b>	<b>57,400</b>	<b>12,555,900</b>
17	Mt. Edgecumbe Boarding	11,420,600		
18	School			
19	Mount Edgecumbe Boarding	1,192,700		
20	School Facilities			
21	Maintenance			

22 (SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

1 \* Sec. 2. The following sets out the funding by agency for the appropriations made in sec. 1 of  
2 this Act.

3	Funding Source	Amount
4	<b>Department of Education and Early Development</b>	
5	1002 Federal Receipts	250,000
6	1004 Unrestricted General Fund Receipts	12,111,400
7	1005 General Fund/Program Receipts	57,400
8	1007 Interagency Receipts	7,473,300
9	1043 Federal Impact Aid for K-12 Schools	20,791,000
10	1066 Public School Trust Fund	10,000,000
11	1108 Statutory Designated Program Receipts	170,000
12	*** Total Agency Funding ***	50,853,100
13	***** Total Budget *****	50,853,100

14 (SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

1	* Sec. 3. The following sets out the statewide funding for the appropriations made in sec. 1 of	
2	this Act.	
3	Funding Source	Amount
4	<b>Unrestricted General</b>	
5	1004 Unrestricted General Fund Receipts	12,111,400
6	*** Total Unrestricted General ***	12,111,400
7	<b>Designated General</b>	
8	1005 General Fund/Program Receipts	57,400
9	*** Total Designated General ***	57,400
10	<b>Other Non-Duplicated</b>	
11	1066 Public School Trust Fund	10,000,000
12	1108 Statutory Designated Program Receipts	170,000
13	*** Total Other Non-Duplicated ***	10,170,000
14	<b>Federal Receipts</b>	
15	1002 Federal Receipts	250,000
16	1043 Federal Impact Aid for K-12 Schools	20,791,000
17	*** Total Federal Receipts ***	21,041,000
18	<b>Other Duplicated</b>	
19	1007 Interagency Receipts	7,473,300
20	*** Total Other Duplicated ***	7,473,300
21	(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)	



1     \* Sec. 4. PUBLIC EDUCATION. The amount necessary to fund transportation of students  
2     under AS 14.09.010 for the fiscal year ending June 30, 2019, estimated to be \$67,862,000, is  
3     appropriated from the budget reserve fund (AS 37.05.540) to the public education fund  
4     (AS 14.17.300).

5     \* Sec. 5. LAPSE. The appropriation made in sec. 4 of this Act is for the capitalization of a  
6     fund and does not lapse.

7     \* Sec. 6. This Act takes effect July 1, 2018.



# LAWS OF ALASKA

2005

FIRST SPECIAL SESSION

Chapter No.

3

**Source**

HCS 2d CSSB 46(FIN)am H(brf sup maj pflid H)

**AN ACT**

Making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

Approved with Item Vetoes: June 28, 2005

Actual Effective Date: Sections 4, 5, 13(f), 14(d) - (f), 15(d), 17(b), 18, 20, 21, 22(a), 22(c) - (f), 23, 24, 25(a), 25(c), 25(e), 26(b) - (d), 27 - 30, 31(a) - (s), 31(u), 32 - 34, 43(a), 51(a), 52(m), 54(a), 56(b), 58(c), 62, and 63 take effect June 29, 2005; sections 1 - 3, 6 - 10, 12, 25(b), 31(t), 51(b), 54(c), 54(e), 58(a), 58(b), 59, and 61(a) - (c) take effect July 1, 2005; section 54(d) takes effect July 2, 2005; section 60 takes effect July 1, 2006; remainder of Act takes effect June 30, 2005; section 18 is retroactive to July 1, 2004; section 26(a) is retroactive to July 8, 2004; section 58(a) is retroactive to July 19, 2004

### Chapter 3

1	Selawik, City of	4,016
2	Seldovia, City of	4,997
3	Seward, City of	192,943
4	Sitka, City and Borough of	371,607
5	Skagway, City of	72,524
6	Soldotna, City of	139,473
7	Tanana, City of	11,285
8	Thorne Bay, City of	14,513
9	Toksook Bay, City of	881
10	Unalakleet, City of	13,698
11	Unalaska, City of	493,130
12	Valdez, City of	255,619
13	Wasilla, City of	173,593
14	Whittier, City of	48,977
15	Wrangell, City of	125,854
16	Yakutat, City and Borough of	22,773
17	Total	\$18,426,923
18	* Sec. 60. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT MAJOR	
19	MAINTENANCE GRANTS. The sum of \$25,088,607 is appropriated from the general fund	
20	to the major maintenance grant fund (AS 14.11.007) for payment by the Department of	
21	Education and Early Development as grants to the following school districts for the following	
22	school projects in the following amounts:	
23	PROJECT	AMOUNT
24	Alaska Gateway - Dot Lake	\$1,087,118
25	School Mechanical Upgrade	
26	(HD 6)	
27	Alaska Gateway - Mentasta	1,750,189
28	School Building Upgrades	
29	(HD 6)	
30	Aleutians East -	181,885
31	Districtwide Playground	



4,016  
4,997  
192,943  
371,607  
72,524  
139,473  
11,285  
14,513  
881  
13,698  
493,130  
255,619  
173,593  
48,977  
125,854  
22,773  
\$18,426,923

EDUCATION AND EARLY DEVELOPMENT MAJOR  
of \$25,088,607 is appropriated from the general fund  
(AS 14.11.007) for payment by the Department of  
ants to the following school districts for the following

AMOUNT  
\$1,087,118

1,750,189

181,885

1	Upgrades (HD 37)	
2	Aleutians East - Nelson	42,000
3	Lagoon School Siding (HD 37)	
4	Iditarod Area - Blackwell	80,752
5	School Shower & Bathroom	
6	Repair, Anvik (HD 6)	
7	Iditarod Area - Innoko	63,700
8	River School Water Damage &	
9	Floor Repair, Shageluk (HD 6)	
10	Iditarod Area - McGrath /	253,330
11	Takotna Underground Storage	
12	Tank Replacements (HD 6)	
13	Iditarod Area - McGrath	31,948
14	School Roof Repair (HD 6)	
15	Kenai Peninsula - HVAC	262,500
16	Controls - Five Schools (HD 33-35)	
17	Lower Kuskokwim - Akula	1,876,410
18	Elitnaurvik K-12 Deferred	
19	Maintenance, Kasigluk (HD 38)	
20	Lower Kuskokwim - Ayaprun	578,447
21	K-12 Water System Upgrade,	
22	Newtok (HD 38)	
23	Lower Kuskokwim - L.	1,441,124
24	Angapak Memorial K-12	
25	Deferred Maintenance,	
26	Tuntutuliak (HD 38)	
27	Lower Kuskokwim -	4,051,600
28	Mikelnguut Elitnaurviat	
29	Elementary Deferred	
30	Maintenance, Bethel (HD 38)	
31	Lower Kuskokwim -	1,781,736



### Chapter 3

1	Nuniarmiut K-12 Deferred	
2	Maintenance, Mekoryuk (HD 38)	
3	Lower Kuskokwim - Qugcuun	213,787
4	Memorial K-12 Deferred	
5	Maintenance, Oscarville (HD 38)	
6	Lower Kuskokwim - Rocky	2,137,601
7	Mountain K-12 Deferred	
8	Maintenance, Goodnews Bay	
9	(HD 38)	
10	Lower Kuskokwim - W. Miller	4,469,941
11	Memorial K-12 Deferred	
12	Maintenance, Napakiak (HD 38)	
13	Southeast Island - Thorne	141,415
14	Bay House Access Ramp (HD 1)	
15	Yakutat City - Yakutat	215,809
16	Elementary School Kitchen	
17	Upgrade (HD 5)	
18	Yukon-Koyukuk -	4,427,315
19	Districtwide Sprinkler	
20	System Installation (HD 6)	
21	* Sec. 61. CONSTITUTIONAL BUDGET RESERVE FUND. (a) Deposits in the budget	
22	reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2005 that are	
23	made from subfunds and accounts other than the operating general fund (state accounting	
24	system fund number 11100) by operation of art. IX, sec. 17(d), Constitution of the State of	
25	Alaska, to repay appropriations from the budget reserve fund are appropriated from the	
26	budget reserve fund to the subfunds and accounts from which they were transferred.	
27	(b) Unrestricted interest earned on investment of the general fund balances for the	
28	fiscal year ending June 30, 2006, is appropriated to the budget reserve fund (art. IX, sec. 17,	
29	Constitution of the State of Alaska). The appropriation made by this subsection is intended to	
30	compensate the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for	
31	any lost earnings caused by use of the fund's balance to permit expenditure of operating and	

### Chapter 3

1 44(b), 46(a), 52(b), 52(c), 55, 57, 58(e), and 60 of this Act are for capital projects and lapse  
2 under AS 37.25.020.

3 (c) The appropriations made by secs. 20(a), 20(c), 20(e), 20(f), and 37(b) of this Act  
4 lapse June 30, 2007.

5 (d) The appropriations made by secs. 41(a)(1) and (2) and 52(d) of this Act lapse  
6 June 30, 2010.

7 \* Sec. 65. EFFECTIVE DATE. (a) Sections 4, 5, 13(f), 14(d) - (f), 15(d), 17(b), 18, 20,  
8 21, 22(a), 22(c) - (f), 23, 24, 25(a), 25(c), 25(e), 26(b) - (d), 27 - 30, 31(a) - (s), 31(u), 32 - 34,  
9 43(a), 51(a), 52(m), 54(a), 56(b), 58(c), 62, and 63 of this Act take effect May 25, 2005.

10 (b) Sections 1 - 3, 6 - 10, 12, 25(b), 31(t), 51(b), 54(c), 54(e), 58(a), 58(b), 59, and  
11 61(a) - (c) of this Act take effect July 1, 2005.

12 (c) Section 54(d) of this Act takes effect July 2, 2005.

13 (d) Section 60 of this Act takes effect July 1, 2006.

14 (e) Except as provided in (a) - (d) of this section, this Act takes effect June 30, 2005.



## LAWS OF ALASKA

2006

**Source**

HCS CSSB 231(FIN) am H(brf sup maj pfld H)

**Chapter No.**

82

**AN ACT**

Making appropriations, including capital appropriations, supplemental appropriations, reappropriations, and appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

Approved with Item Vetoes: June 30, 2006

**Actual Effective Date:** Section 13 takes effect July 1, 2007; remainder of Act takes effect July 1, 2006; sections 24(c), 27(a), 27(b), 37, 56(a), and 65 are retroactive to July 1, 2005; section 27(c) is retroactive to March 20, 2006; sections 23(a), 25, 28(a), 28(b), 31(b), 32(a), 34, 35, 41 - 55, 56(c), 57 - 59, 61, and 62 are retroactive to June 30, 2006; sections 7, 10, 17, 18, 20(a), 20(b), 20(c), 20(d), 24(a), 24(b), 26(b), 30, 31(a), 31(c), 32(b), 33, 36(a), 36(b), 38, 39(a), 39(b), 40, 56(b), 56(d), 63(d), 64(a), 64(b), 64(d) - (f), 66, and 67 are retroactive to May 10, 2006



Chapter 82

\* Sec. 13. The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 14 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Education and Early Development *****				
*****			*****	
School Construction Grant Fund (AS 14.11.005)		89,699,036	89,699,036	
Lower Yukon - Russian Mission K-12 School Replacement (HD 6)	18,485,899			
Southeast Island - Howard Valentine K-12 School Replacement, Coffman Cove (HD 1)	5,332,854			
Yukon Flats - Arctic Village K-12 School Replacement (HD 6)	11,802,818			
Bering Strait - St. Michael K-12 School Replacement (HD 39)	22,488,568			
Bering Strait - Savoonga K-12 School Replacement (HD 39)	31,588,897			

(SECTION 14 OF THIS ACT BEGINS ON PAGE 141)



ems are for capital projects and grants from the  
section 14 of this Act by funding source to the  
i and lapse under AS 37.25.020, unless otherwise

Appropriation ions	General Items	Other Funds
*****		
tion and Early Development *****		
*****		
89,699,036	89,699,036	

.899

854

818

568

897

ACT BEGINS ON PAGE 141)

SB0231e

SB0231e

HCS CSSB 231(FIN) am H(brf sup maj pfld H), Sec. 14

-141-

1 \* Sec. 14. The following sets out the funding by agency for the appropriations made in sec. 13  
2 of this Act.

Funding Source	Amount
3 Department of Education and Early Development	
4 1004 General Fund Receipts	89,699,036
5 *** Total Agency Funding ***	\$89,699,036
6 ***** Total Budget *****	\$89,699,036

7 (SECTION 15 OF THIS ACT BEGINS ON PAGE 142)  
8

Chapter 82

1 28 - 31 (statewide administrative system replacement phase I - human resources and payroll)  
2 is repealed.

3 \* Sec. 66. RETROACTIVITY. (a) The appropriations made by secs. 24(c), 27(a), 27(b), 37,  
4 56(a), and 65 of this Act are retroactive to July 1, 2005.

5 (b) The appropriation made by sec. 27(c) of this Act is retroactive to March 20, 2006.

6 (c) If secs. 23(a), 25, 28(a), 28(b), 31(b), 32(a), 34, 35, 41 - 55, 56(c), 57 - 59, 61, and  
7 62 of this Act take effect after June 30, 2006, then those sections are retroactive to June 30,  
8 2006.

9 (d) If secs. 7, 10, 17, 18, 20(a), 20(b), 20(c), 20(d), 24(a), 24(b), 26(b), 30, 31(a),  
10 31(c), 32(b), 33, 36(a), 36(b), 38, 39(a), 39(b), 40, 56(b), 56(d), 63(d), 64(a), 64(b), 64(d) -  
11 (f), and 65 - 67 of this Act take effect after May 10, 2006, then those sections are retroactive  
12 to May 10, 2006.

13 \* Sec. 67. LAPSE. (a) The appropriations made by secs. 20, 21(1), and 61 of this Act are for  
14 the capitalization of funds and do not lapse.

15 (b) The appropriations made by secs. 16, 17(b), 18, 21(2), 22(a), 23, 24(c), 26(a),  
16 28(a), 28(c), 32(a), 34(a), 36(c), 39, 44(a), 47, 48(c), 49(b), 51(a), 54(d), 56(a), 56(c), 57(d),  
17 57(e), and 62 of this Act are for capital projects and lapse under AS 37.25.020.

18 \* Sec. 68. (a) The appropriations made by secs. 23(a), 25, 28(a), 28(b), 31(b), 32(a), 34, 35,  
19 41 - 55, 56(c), 57 - 59, 61, and 62 of this Act take effect June 30, 2006.

20 (b) Sections 7, 10, 17, 18, 20(a), 20(b), 20(c), 20(d), 24, 26(b), 27, 30, 31(a), 31(c),  
21 32(b), 33, 36(a), 36(b), 37, 38, 39(a), 39(b), 40, 56(a), 56(b), 56(d), 63(d), 64(a), 64(b), 64(d)  
22 - (f), and 65 - 67 of this Act take effect May 10, 2006.

23 (c) Section 13 of this Act takes effect July 1, 2007.

24 \* Sec. 69. Except as provided in sec. 68 of this Act, this Act takes effect July 1, 2006.



THE STATE  
of **ALASKA**

GOVERNOR BILL WALKER

**ATTACHMENT A**  
Department of Law

CIVIL DIVISION

P.O. Box 110300  
Juneau, Alaska 99811  
Mtn: 907.463.3400  
Fax: 907.465.2520

May 1, 2018

The Honorable Bill Walker  
Governor  
State of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Re: HB 287: Appropriations: Pupil education  
and transportation: (SCS HB 287(FIN))  
Our file: 2018200330

Dear Governor Walker:

At the request of your legislative director, we have reviewed SCS HB 287 (FIN), an appropriation bill making appropriations for fiscal years 2019 and 2020 for public education and transportation of students.

Since this is an appropriation bill, it is exempt from the constitutional requirement that it be confined to one subject; however, since it is an appropriation bill it "shall be confined to appropriations" (art. II, sec. 13, Constitution of the State of Alaska). Accordingly, you may "veto, strike, or reduce items" in the bill (art. II, sec. 15, Constitution of the State of Alaska). Further, some provisions of this bill are contingent upon enactment of a separate bill - Senate bill 26, a bill primarily relating to spending from the earnings of the Alaska permanent fund.

Sections 1, 2, and 3 of the bill present typical appropriation provisions to appropriate to the Department of Education and Early Development K-12 aid to school districts, K-12 support, and appropriations for Mt. Edgecumbe boarding school. Section 2 details the funding by agency (federal receipts, unrestricted general fund, etc.) for the appropriations made in sec. 1. Next, Section 3 sets out the statewide funding sources for appropriations made in sec. 1 (unrestricted or designated general funds, public school trust funds, statutory designated program receipts, federal receipts, and interagency receipts). Except for the fact this bill addresses only education funding, nothing appears unusual about secs. 1 - 3.



Sections 5(a) and (b) are fund capitalization provisions that appropriate from the general fund to the public education fund.

Sections 4, 5(c), and 5(d) include education related appropriations for fiscal year 2020 from the general fund. Pursuant to sec. 8, these appropriations do not take effect until July 1, 2019. Although not common, it is permissible for the legislature to include in a budget bill appropriations for future fiscal years. These appropriations do not bind a future legislature because a future legislature can always amend, reappropriate, or repeal the future appropriations. Section 6 provides that the appropriations in sec. 5 are for the capitalization of a fund and do not lapse.

Section 7 is a contingency provision. It provides that the fiscal year 2020 appropriations in sections 4, 5(c), and 5(d) are contingent on passage and enactment into law by the Thirtieth Alaska State Legislature of a version of Senate Bill 26. Senate Bill 26 proposes a framework for the spending of permanent fund income. The Alaska Supreme Court has found that contingency language should be subject to the same analysis as legislative intent language.<sup>1</sup> This requires consideration of whether such a provision violates the confinement clause of the Alaska Constitution which states that "[b]ills for appropriations shall be confined to appropriations."<sup>2</sup> Alaska courts have used a five factor test to determine whether language added to an appropriations bill violates the confinement clause. Under this test (the *Hammond factors*), the qualifying language must (1) not administer the program of expenditures; (2) not enact law or amend existing law; (3) be the minimum necessary to explain the legislature's intent regarding how the money appropriated is to be spent; (4) be germane, that is, appropriate, to an appropriations bill; and (5) not extend beyond the life of the appropriation.<sup>3</sup>

Here, an appropriation to fund education for fiscal year 2020 appears to be reasonably related (germane) to the contingency provision regarding enactment into law of SB 26 given that SB 26 concerns a possible funding source for the future appropriations.<sup>4</sup> Additionally, we would raise constitutional concerns if the linkage between enactment of SB 26 into law and the appropriations would infringe on the governor's veto authority. We do not see such an issue with sec. 4 as it establishes a \$30,000,000 appropriation and you could reduce or strike that appropriation amount. Section 5(c) and (d) presents unusual language because the provisions do not include an estimated amount, likely because the legislature is not able to determine an amount given that these appropriations are for fiscal year 2020. In these circumstances, you could strike language concerning the estimated

<sup>1</sup> See *Alaska Legislative Council v. Knowles*, 21 P.3d 367, 378-84 (Alaska 2001).

<sup>2</sup> Art. II, sec. 13.

<sup>3</sup> *Alaska Legislative Council*, 21 P.3d 367, 377 (Alaska 2001).

<sup>4</sup> Under the germaneness test, courts will generally uphold conditions expressed for purposes of the appropriation. *Id.*



The Honorable Bill Walker, Governor  
Our file: 2018200330

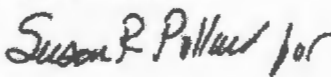
May 1, 2018  
Page 3 of 3

amount so long as it did not alter the purpose of the appropriation.<sup>3</sup> We are available for additional consultation on that issue if desired.

We have identified no other constitutional or legal issues in the bill. We will assist the agencies throughout the year in interpreting and applying the provisions of the bill, as well as related legislation, to make certain that appropriations are implemented in a manner that is consistent with enabling statutes and valid legislative intent.

Sincerely,

JAHNA LINDEMUTH  
ATTORNEY GENERAL

By:   
William E. Milks  
Senior Assistant Attorney General  
Labor and State Affairs Section

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<sup>3</sup> See *Wielechowski v. State*, 403 P.3d 1141 (Alaska 2017).

**HOUSE BILL NO. 39**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/20/19

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act making appropriations for the operating and loan program expenses of state  
2 government and for certain programs; capitalizing funds; amending appropriations;  
3 making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska,  
4 from the constitutional budget reserve fund; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

1 designated program receipts under AS 37.05.146(b)(3), information services fund program  
 2 receipts under AS 44.21.045(b), Exxon Valdez oil spill trust receipts under  
 3 AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts of the  
 4 Alaska marine highway system fund under AS 19.65.060(a), receipts of the vaccine  
 5 assessment account (AS 18.09.230), receipts of the University of Alaska under  
 6 AS 37.05.146(b)(2), receipts of the highways equipment working capital fund under  
 7 AS 44.68.210, and receipts of commercial fisheries test fishing operations under  
 8 AS 37.05.146(c)(21) that are received during the fiscal year ending June 30, 2020, and that  
 9 exceed the amounts appropriated by this Act are appropriated conditioned on compliance with  
 10 the program review provisions of AS 37.07.080(h).

11 (b) If federal or other program receipts under AS 37.05.146 and AS 44.21.045(b) that  
 12 are received during the fiscal year ending June 30, 2020, exceed the amounts appropriated by  
 13 this Act, the appropriations from state funds for the affected program shall be reduced by the  
 14 excess if the reductions are consistent with applicable federal statutes.

15 (c) If federal or other program receipts under AS 37.05.146 and AS 44.21.045(b) that  
 16 are received during the fiscal year ending June 30, 2020, fall short of the amounts  
 17 appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall  
 18 in receipts.

19 \* **Sec. 22. FUND CAPITALIZATION.** (a) The portions of the fees listed in this subsection  
 20 that are collected during the fiscal year ending June 30, 2020, estimated to be \$23,300, are  
 21 appropriated to the Alaska children's trust grant account (AS 37.14.205(a)):

22 (1) fees collected under AS 18.50.225, less the cost of supplies, for the  
 23 issuance of heirloom birth certificates;

24 (2) fees collected under AS 18.50.272, less the cost of supplies, for the  
 25 issuance of heirloom marriage certificates;

26 (3) fees collected under AS 28.10.421(d) for the issuance of special request  
 27 Alaska children's trust license plates, less the cost of issuing the license plates.

28 (b) The amount of federal receipts received for disaster relief during the fiscal year  
 29 ending June 30, 2020, estimated to be \$9,000,000, is appropriated to the disaster relief fund  
 30 (AS 26.23.300(a)).

31 (c) The sum of \$2,000,000 is appropriated from the general fund to the disaster relief



1 fund (AS 26.23.300(a)).

2 (d) The amount of municipal bond bank receipts determined under AS 44.85.270(h)  
3 to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year  
4 ending June 30, 2019, estimated to be \$0, is appropriated to the Alaska municipal bond bank  
5 authority reserve fund (AS 44.85.270(a)).

6 (e) If the Alaska Municipal Bond Bank Authority must draw on the Alaska municipal  
7 bond bank authority reserve fund (AS 44.85.270(a)) because of a default by a borrower, an  
8 amount equal to the amount drawn from the reserve is appropriated from the general fund to  
9 the Alaska municipal bond bank authority reserve fund (AS 44.85.270(a)).

10 (f) The sum of \$30,000,000 is appropriated from the power cost equalization  
11 endowment fund (AS 42.45.070) to the community assistance fund (AS 29.60.850).

12 (g) Section 5(c), ch. 6, SLA2018, is amended to read:

13 (c) The amount necessary, estimated to be \$1,172,603,900, to fund the total  
14 amount for the fiscal year ending June 30, 2020, of state aid calculated under the  
15 public school funding formula under AS 14.17.410(b) is appropriated from the general  
16 fund to the public education fund (AS 14.17.300).

17 (h) Section 5(d), ch. 6, SLA2018, is amended to read:

18 (d) The amount necessary, estimated to be \$77,214,600, to fund  
19 transportation of students under AS 14.09.010 for the fiscal year ending June 30, 2020,  
20 is appropriated from the general fund to the public education fund (AS 14.17.300).

21 (i) The amount necessary to fund the total amount for the fiscal year ending June 30,  
22 2021, of state aid calculated under the public school funding formula under AS 14.17.410(b)  
23 is appropriated from the general fund to the public education fund (AS 14.17.300).

24 (j) The amount necessary to fund transportation of students under AS 14.09.010 for  
25 the fiscal year ending June 30, 2021, is appropriated from the general fund to the public  
26 education fund (AS 14.17.300).

27 (k) The sum of \$39,389,000 is appropriated from the general fund to the regional  
28 educational attendance area and small municipal school district school fund  
29 (AS 14.11.030(a)).

30 (l) The amount necessary to pay medical insurance premiums for eligible surviving  
31 dependents under AS 39.60.040 and the costs of the Department of Public Safety associated



**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 39  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTY-FIRST LEGISLATURE - FIRST SESSION**

**BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**Introduced: 2/21/19  
Referred: Finance**

**A BILL  
FOR AN ACT ENTITLED**

1 "An Act making appropriations for the operating and loan program expenses of state  
2 government and for certain programs; capitalizing funds; amending appropriations;  
3 making supplemental appropriations; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

(k) The amount necessary for payment of obligations and fees for the Goose Creek Correctional Center, estimated to be \$16,373,288, is appropriated from the general fund to the Department of Administration for that purpose for the fiscal year ending June 30, 2020.

(l) The amounts appropriated to the Alaska fish and game revenue bond redemption fund (AS 37.15.770) during the fiscal year ending June 30, 2020, estimated to be \$6,136,800, are appropriated to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds and for early redemption of those bonds for the fiscal year ending June 30, 2020.

\* **Sec. 21. FEDERAL AND OTHER PROGRAM RECEIPTS.** (a) Federal receipts, designated program receipts under AS 37.05.146(b)(3), information services fund program receipts under AS 44.21.045(b), Exxon Valdez oil spill trust receipts under AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts of the Alaska marine highway system fund under AS 19.65.060(a), receipts of the vaccine assessment account (AS 18.09.230), receipts of the University of Alaska under AS 37.05.146(b)(2), receipts of the highways equipment working capital fund under AS 44.68.210, and receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21) that are received during the fiscal year ending June 30, 2020, and that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts under AS 37.05.146 and AS 44.21.045(b) that are received during the fiscal year ending June 30, 2020, exceed the amounts appropriated by this Act, the appropriations from state funds for the affected program shall be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts under AS 37.05.146 and AS 44.21.045(b) that are received during the fiscal year ending June 30, 2020, fall short of the amounts appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

\* **Sec. 22. FUND CAPITALIZATION.** (a) The portions of the fees listed in this subsection that are collected during the fiscal year ending June 30, 2020, estimated to be \$23,300, are appropriated to the Alaska children's trust grant account (AS 37.14.205(a)):

(1) fees collected under AS 18.50.225, less the cost of supplies, for the

1 issuance of heirloom birth certificates;

2 (2) fees collected under AS 18.50.272, less the cost of supplies, for the  
3 issuance of heirloom marriage certificates;

4 (3) fees collected under AS 28.10.421(d) for the issuance of special request  
5 Alaska children's trust license plates, less the cost of issuing the license plates.

6 (b) The amount received from fees assessed under AS 05.25.096(a)(5) and (6), civil  
7 penalties collected under AS 30.30.015, the sale of vessels under AS 30.30, and donations and  
8 other receipts deposited under AS 30.30.096 as program receipts during the fiscal year ending  
9 June 30, 2020, less the amount of those program receipts appropriated to the Department of  
10 Administration, division of motor vehicles, for the fiscal year ending June 30, 2020, estimated  
11 to be \$58,600, is appropriated to the derelict vessel prevention program fund (AS 30.30.096).

12 (c) The amount of federal receipts received for disaster relief during the fiscal year  
13 ending June 30, 2020, estimated to be \$9,000,000, is appropriated to the disaster relief fund  
14 (AS 26.23.300(a)).

15 (d) The sum of \$2,000,000 is appropriated from the general fund to the disaster relief  
16 fund (AS 26.23.300(a)).

17 (e) Twenty-five percent of the donations received under AS 43.23.230, estimated to  
18 be \$150,000, are appropriated to the dividend raffle fund (AS 43.23.230).

19 (f) Twenty-five percent of the donations received under AS 43.23.230, estimated to  
20 be \$150,000, are appropriated to the education endowment fund (AS 43.23.220).

21 (g) The amount of municipal bond bank receipts determined under AS 44.85.270(h)  
22 to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year  
23 ending June 30, 2019, estimated to be \$0, is appropriated to the Alaska municipal bond bank  
24 authority reserve fund (AS 44.85.270(a)).

25 (h) If the Alaska Municipal Bond Bank Authority must draw on the Alaska municipal  
26 bond bank authority reserve fund (AS 44.85.270(a)) because of a default by a borrower, an  
27 amount equal to the amount drawn from the reserve is appropriated from the general fund to  
28 the Alaska municipal bond bank authority reserve fund (AS 44.85.270(a)).

29 (i) The sum of \$170,000,000 is appropriated from the receipts of the Alaska Industrial  
30 Development and Export Authority (AS 44.88) to the oil and gas tax credit fund  
31 (AS 43.55.028).



1 (j) The sum of \$84,000,000 is appropriated from the receipts of the Alaska Industrial  
2 Development and Export Authority (AS 44.88) to the oil and gas tax credit fund  
3 (AS 43.55.028), for the fiscal year ending June 30, 2019.

4 (k) To fund the amount for fiscal year ending June 30, 2020, of state aid calculated  
5 under the public school funding formula under AS 14.17.410(b) multiplied by 0.7687,  
6 estimated to be \$895,455,700, is appropriated to the public education fund (AS 14.17.300)  
7 from the following sources in the amounts stated:

8 (1) \$16,500,000 from the School Fund (AS 43.50.140);

9 (2) the amount necessary, after the appropriations made in (1) of this  
10 subsection, estimated to be \$878,955,700, from the general fund.

11 (l) Section 5(d), ch. 6, SLA 2018, is amended to read:

12 (d) The amount necessary, estimated to be \$77,214,600, to fund  
13 transportation of students under AS 14.09.010 for the fiscal year ending June 30, 2020,  
14 is appropriated from the general fund to the public education fund (AS 14.17.300).

15 (m) The amount necessary to pay medical insurance premiums for eligible surviving  
16 dependents under AS 39.60.040 and the costs of the Department of Public Safety associated  
17 with administering the peace officer and firefighter survivors' fund (AS 39.60.010) for the  
18 fiscal year ending June 30, 2020, estimated to be \$30,000, is appropriated from the general  
19 fund to the peace officer and firefighter survivors' fund (AS 39.60.010) for that purpose.

20 (n) The amount of federal receipts awarded or received for capitalization of the  
21 Alaska clean water fund (AS 46.03.032(a)) during the fiscal year ending June 30, 2020, less  
22 the amount expended for administering the loan fund and other eligible activities, estimated to  
23 be \$14,822,400, is appropriated from federal receipts to the Alaska clean water fund  
24 (AS 46.03.032(a)).

25 (o) The amount necessary to match federal receipts awarded or received for  
26 capitalization of the Alaska clean water fund (AS 46.03.032(a)) during the fiscal year ending  
27 June 30, 2020, estimated to be \$3,088,000, is appropriated from Alaska clean water fund  
28 revenue bond receipts to the Alaska clean water fund (AS 46.03.032(a)).

29 (p) The amount of federal receipts awarded or received for capitalization of the  
30 Alaska drinking water fund (AS 46.03.036(a)) during the fiscal year ending June 30, 2020,  
31 less the amount expended for administering the loan fund and other eligible activities,



1 call their share of the tax collected under AS 43.52.220 in calendar year 2018 according to  
2 AS 43.52.230(b), the appropriations made in (c) of this section shall be reduced in proportion  
3 to the amount of the shortfall.

4 \* **Sec. 27. RATIFICATION OF SMALL AMOUNTS IN STATE ACCOUNTING**  
5 **SYSTEM.** The appropriation to each department under this Act for the fiscal year ending  
6 June 30, 2020, is reduced to reverse negative account balances in amounts of \$1,000 or less  
7 for the department in the state accounting system for each prior fiscal year in which a negative  
8 account balance of \$1,000 or less exists.

9 \* **Sec. 28.** Sections 4 and 5(c), ch. 6, SLA 2018, and sec. 27(c), ch. 19, SLA 2018, are  
10 repealed.

11 \* **Sec. 29. LAPSE OF APPROPRIATIONS.** The appropriations made in secs. 6(c), 7, 8,  
12 9(c) and (d), 20(c) and (d), 22, 23, and 24(a) - (d) of this Act are for the capitalization of funds  
13 and do not lapse.

14 \* **Sec. 30. RETROACTIVITY.** The appropriations made in sec. 1 of this Act that  
15 appropriate either the unexpended and unobligated balance of specific fiscal year 2019  
16 program receipts or the unexpended and unobligated balance on June 30, 2019, of a specified  
17 account are retroactive to June 30, 2019, solely for the purpose of carrying forward a prior  
18 fiscal year balance.

19 \* **Sec. 31.** Sections 11(b), 13(a) and (d), 15, and 22(j) of this Act take effect June 30, 2019.

20 \* **Sec. 32.** Except as provided in sec. 31 of this Act, this Act takes effect July 1, 2019.